DEPARTMENT OF
LABOR
AND HUMAN RESOURCES
GOVERNMENT OF PUERTO RICO

Government of Puerto Rico
Department of Labor and Human Resources
Bureau of Labor Statistics

Puerto Rico Economic Analysis Report 2010-2011

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I. Trends and Development

A. Economic Overview

For fiscal years 2007, 2008, 2009 and 2010 Puerto Rico's real gross national product decreased by 1.2%, 2.9%, 4.0% and 3.8%, respectively. Most of the external factors that affect the Puerto Rican economy are determined by the policies and performance of the mainland economy. Among the variables contributing to the decrease in gross national product was the continuous contraction of the manufacturing and construction sectors, and the current difficulties associated with the financial crisis, that resulted in lower short-term interest rates. This however, did not translate into a significant improvement in the construction sector due to the high level inventory of residential housing units.

In FY 2010 all components of the GNP showed contraction in real terms, except the personal consumption expenditures which presented an increase of 0.6% ($9,322.6 million) after a decrease of 2.2% ($9,266.4 million) in FY 2009. In FY 2010, aggregate personal income was $60,400.9 million and personal income per capita was $15,203 ($10,732 in FY 2001). Personal income includes transfer payments to individuals in Puerto Rico under various social programs. Total U.S. federal transfer payments to individuals amounted to $16,082.1 million FY 2010 ($13,978.4 million in FY 2009). Entitlements for previously performed services or resulting from contributions to programs such as Social Security, Veterans' Benefits, Medicare, and U.S. Civil Service retirement pensions were $10,403.5 million, or 65% of the transfer payments to individuals in FY 2010 ($9,877.5 million, or 70.1% in FY 2009). The remainder of the federal transfers to individuals is represented by grants, mostly concentrated in the Nutritional Assistance Program (Food Stamps) and Pell Grant scholarships (higher education).

Table 1

Gross National Product - current prices
(million dollars – fiscal years)

Indicator	2008r	2009r	2010p	2011*	Change					
					Absolute			Percentage		
					2009-2008	2010-2009	2011-2010	2009-2008	2010-2009	2011-2010
Gross Domestic Product	92,605.7	95,211.4	96,260.5	98,602.0	2,605.7	1,049.1	2,341.5	2.8	1.1	2.4
Gross National Product	61,665.2	62,677.8	63,291.5	64,973.0	1,012.6	613.8	1,681.5	1.6	1.0	2.7
Personal Income	56,124.1	58,562.3	60,400.9	62,743.0	2,438.2	1,838.6	2,342.1	4.3	3.1	3.9
Personal Consumption Expenditure	54,500.9	55,423.2	57,162.1	59,211.0	922.3	1,738.9	2,048.9	1.7	3.1	3.6

r - revised
p - preliminary
* - projected

Source: Puerto Rico Planning Board

Table 2

Gross National Product - constant prices
(million dollars – fiscal years)

Indicator	2008r	2009r	2010p	2011*	Change					
					Absolute			Percentage		
					2009-2008	2010-2009	2011-2010	2009-2008	2010-2009	2011-2010
Gross Domestic Product	10,601.0	10,359.8	10,145.1	10,080.0	-241.2	-214.7	-65.1	-2.3	-2.1	-0.6
Gross National Product	6,768.8	6,500.2	6,255.1	6,195.0	-268.6	-245.1	-60.1	-4.0	-3.8	-1.0
Personal Income	9,760.7	9,791.4	9,850.1	9,951.0	30.7	58.7	100.9	0.3	0.6	1.0
Personal Consumption Expenditure	9,478.4	9,266.4	9,322.6	9,410.0	-212.0	56.2	87.4	-2.2	0.6	0.9

r - revised
p - preliminary
* - projected

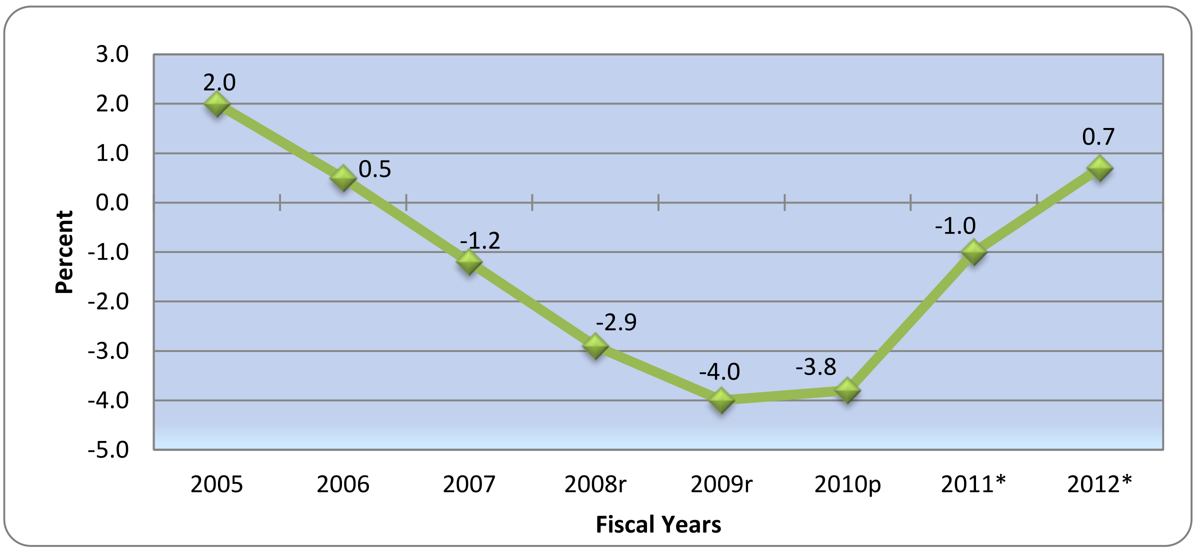
Source: Puerto Rico Planning Board

According to the Puerto Rico Planning Board's latest projections, the real gross national product for FY 2011 is forecasted to contract by 1.0%. The real gross national product for FY 2012, however, is projected to grow by 0.7%. The Planning Board's revised forecast for FY 2011 incorporates the estimated effects on the Puerto Rican economy of the

Government's fiscal stabilization plan, the impact of the initial phase of the tax reform, the disbursement of ARRA funds, the continuation of the fiscal stabilization plan, and the activity expected to be generated from the Government's local stimulus package. The revised forecast also considered the effect on the Puerto Rican economy of general and global economic conditions, the U.S. economy, the volatility of oil prices, interest rates and the behavior of local exports, including expenditures by visitors.

Figure 1

Puerto Rico Real Gross National Product



R=revised
P=preliminary
*=projected

Source: Puerto Rico Planning Board

The estimates for FY 2012 projects an increase in the gross national product of 0.7% in constant dollars and includes the estimated effect of the projected growth of the U.S. economy, tourism activity, personal consumption expenditures, federal transfers to individuals and the acceleration of investment in construction due to the Government's local stimulus package and the establishment of public-private partnerships. It also took into account the disbursement of the remaining ARRA funds, and the continuation of the implementation of the tax reform.

B. Economy Performance by Sector

The dominant sectors of the Puerto Rico economy in terms of production and income are manufacturing and services. The manufacturing sector has undergone fundamental changes over the years as a result of increased emphasis on higher-wage, high-technology industries, such as pharmaceuticals, biotechnology, computers, microprocessors, professional and scientific instruments, and certain high technology machinery and equipment. The service sector, which includes finance, insurance, real estate, wholesale and retail trade, transportation, communications and public utilities, and other services, plays a major role in the economy. It ranks second to manufacturing in its contribution to gross domestic product and leads all sectors in providing employment.

Manufacturing is the major contributor to the gross domestic product. In FY 2010 this sector generated $44,641.4 million or 46.4% of gross domestic product. The manufacturing in Puerto Rico basically concentrate in two major industries, pharmaceuticals and other chemical products, and machinery and metal products. There are several reasons that explain this sector’s job reduction: the end of the phase-out of Section 936 of the U.S. Code, the net loss of patents on certain pharmaceutical products, the escalation of manufacturing production costs (particularly labor and electricity), the increased use of job outsourcing, and, currently, the effects of the global economic decline.

The service sector, which includes finance, insurance, real estate, wholesale and retail trade, transportation, communications and public utilities, and other services, has played a major role in the economy. It ranks second to manufacturing in contribution to gross domestic product and leads all sectors in providing employment. In FY 2010, the service sector contributed $41,471.8 million to the gross domestic product, or 43.1% of the total. Trade, information services, education and health services, finance, insurance and real estate and rentals experienced growth in FY 2010, as measured by gross domestic product and by gross national product at current prices. Transportation, professional and technical, and management services experienced a contraction in FY 2010 as measured by gross domestic product and gross national product at current prices.

In the past decade, the construction industry had made significant contributions to the growth of economic activity due to its multiplier effect on the whole economy, although the construction industry represents a relatively small segment of the economy compared to other sectors, it has made significant contributions to the growth of economic activity due to its multiplier effect on the whole economy. Since its peak in FY 2000, real construction investment has declined at an average annual growth rate of 8.7%. Such rates of interest started to decrease significantly in FY 2005, as a consequence of the contraction of the local economic activity. During the last four fiscal years (from FY 2007 to 2010) real construction investment decreased at an average annual rate of 17.0%. For the same time period, the total value of construction permits, in current dollars, decreased at an average annual rate of 16.8%. In FY 2010, the construction sector represented 1.7% of the gross domestic product (1.8% in FY 2009).

Public investment has been an important component in its total investment. During FY 2010, approximately 49.3% of the total investment in construction was related to public projects, which represents an increase in its share of total construction investment when compared to 37.9% in FY 2000. Total construction investment for FY 2010 decreased in real terms by 18.8%, followed by a 22.2% in FY 2009. Public investment in construction has been negatively affected by the Commonwealth's fiscal difficulties, while private investment in construction is still affected by the credit conditions that prevailed during the last decade. Public investment was primarily in housing, schools (and school reconstruction programs), water projects, and other public infrastructure projects.

C. Economic Development Program

The Department of Economic Development and Commerce, in coordination with other government agencies, is in the process of implementing the Strategic Model for a New Economy, which is a comprehensive long-term economic development plan aimed at improving Puerto Rico's overall competitiveness and business environment and increasing private-sector participation in the Puerto Rican economy. As part of this plan, the administration enacted Act No. 161 of December 1, 2009, which overhauled the permitting and licensing process in Puerto Rico in order to provide for a leaner and more efficient process to foster economic development. The administration also enacted Acts No. 82 and 83 of July 19, 2010, which provide for a new energy policy that seeks to lower energy costs and reduce energy-price volatility by reducing Puerto Rico's dependence on fuel oil and promotes diverse, renewable-energy technologies. Moreover, the administration adopted a comprehensive tax reform that takes into account the Commonwealth's current financial situation. In addition, to further stimulate economic development and cope with the fiscal crisis, on June 8, 2009, the Legislative Assembly approved Act No. 29 establishing a clear public policy and legal framework for the establishment of public-private partnerships to finance and develop infrastructure projects, and to operate and manage certain public assets.

The present government administration is emphasizing the following initiatives to enhance Puerto Rico's competitive position:

- Permits Process. The reengineering of Puerto Rico's permits and licensing process which overhauls the existing permits and licensing process in Puerto Rico in order to promoter a more efficient process to foster economic development.

- Labor Law Reform. The administration seeks to encourage greater labor-force participation by providing the private sector with more flexibility in establishing feasible labor provisions. One goal of the labor-market reform will be the modernization of Puerto Rico's regulatory framework.

- Energy Policy. At present, fluctuations in oil prices have a significant effect on Puerto Rico's overall economic performance. By implementing a new energy policy, the administration will seek to lower energy costs, reduce energy-price volatility, and establish environmentally sustainable energy production through a reduction in ecologically harmful emissions. The administration is facilitating the development of several initiatives, including the wheeling of energy, conservation efforts, and the installation of new renewable generation capacity, among others.

- Tax Reform. The administration is also focused on restructure the Commonwealth's tax system in order to improve its competeviness by simplifying the tax code and optimizing the use of industrial incentives.

- Public-Private Partnerships. The Public-Private Partnerships (PPPs) represents an important tool for economic development, particularly in times of fiscal imbalance.

PPP's are alliances between government and non-governmental entities—such as private-sector, non-profit organizations, credit unions, and township corporations to develop infrastructure projects, manage government assets or provide services. The non-governmental partner takes on certain responsibilities and risks related to the development of the project in exchange for receiving the benefits of operating it.

- Sector Initiatives. To complement the previously mentioned initiatives there will be specific strategic initiatives targeted to jobs creation and increasing economic activity across various sectors of the Puerto Rico economy. The Commonwealth has natural or structural competitive advantages in several areas, such as pharmaceutical and biotechnology manufacturing. These advantages provide opportunities for the development of regional clusters in high-tech manufacturing, research and development, tourism, renewable energy, international trade and professional services.

- Strategic/Regional Projects. The administration has also targeted strategic/regional projects that will generate investments in all the regions of the Island in order to foster balanced economic development.

Green Energy Incentives Program

On July 19, 2010 the Legislative Assembly enacted Act No. 83 of July 19, 2010, also known as the "Green Energy Incentives Act", to encourage the production of renewable energy at a commercial scale. The activities eligible for tax exemption under the Green Energy Incentives Act include businesses engaged in the production and sale of green energy at a commercial scale for consumption in Puerto Rico, a producer of green energy, the installation of machinery and equipment for the production of green energy, and property used for the production of green energy. Companies qualifying under the Green Energy Incentives Act can benefit from a simplified income tax system: an income tax rate of 4% and a withholding tax rate of 12% on royalty payments; license fees and rental payments to non-Puerto Rico resident companies. In addition, Green Energy Incentives Act grants 90% exemption from property taxes; 100% exemption from municipal license taxes during the first three semesters of operations and at least 60% thereafter, and 100% exemption from excise taxes and sale; and use taxes with respect to the acquisition of raw materials and certain machinery and equipment used in the exempted activities. Under the Green Energy Incentives Act, companies can repatriate or distribute their profits free of Puerto Rico dividend taxes. Gain from the sale or exchange of shares of an exempted business by its shareholders during the exemption period that is otherwise subject to Puerto Rico income tax would be subject to a special Puerto Rico income tax rate of 4%.

D. Labor Force Trends and Developments

1. Labor Force Statistics

a. Labor Force Participation

The Household Survey is designed so that each person age 16 and over who is neither in an institution (for example, correctional facilities and residential nursing and mental health care facilities) nor on active duty in the Armed Forces is included and classified in one group. The sum of the employed and the unemployed persons constitutes the civilian labor force. Persons not in the labor force combined with those in the civilian labor force constitute the civilian non-institutional population 16 years and over. In Puerto Rico, the non-institutional population has increased consistently through the decades. In FY 2011, it was estimated in 3,117,000 persons, representing an increase of 24,000 persons or 0.8%.

In FY 2011, the group not in the labor force represented 58.9% of the non-institutional population; this is a larger proportion than the labor force which represented 41.1%. The present recessionary period has had a negative impact on the workforce. The fall in the labor force caused a decrease in the participation rate; this can be seen as an indicator of the persons to participate in the labor market. The FY 2011 registered the lowest point, 41.1% since FY 1983 (41.1%) and declined 1.4 percentage points when comparing with FY 2010 (42.5%). There is a relationship between the participation rate and the economic activity. Due to various factors, among them, the flow for decades of federal incentives to the population through different programs has affected the participation rate in the labor force and the informal sector of the economy. There are some differences between the participation rate in the labor force among men and women. In FY 2011 the rate for women decreased by 1.2% and for men, 4.4%. The male participation rate showed sharp consecutive declines, from 59.1% in FY 2006 to 50.0% in FY 2011, the lowest male participation rate recorded. The female rate also declined in the past years, from 38.5% in 2006 to 33.9% in FY 2011. Some factors that can influence the behavior of the participation rate of women are the changes in their civil status and their level of education.

Table 3

Employment Status of Civilian Non-Institutional Population
Average Fiscal Years 2009 to 2011
(thousand of persons 16 years of age and over)

Employment Status	2011	2010	2009	Net Change	
				2011/2010	2010/2009
Civilian non-institutional population	3,117	3,093	3,057	24	36
Participation rate [1]	41.1	42.5	44.1	-1.4	-1.6
Labor Force	1,281	1,313	1,349	-32	-36
Employment	1,077	1,103	1,168	-26	-65
Unemployment	204	210	181	-6	29
Unemployment rate [2]	15.9	16.0	13.4	-0.1	2.6

1/ Percentage of the civilian population 16 years old and over in the labor force.
2/ Percentage of unemployed persons in the labor force.

Source: Household Survey, Puerto Rico Department of Labor.

In the Puerto Rico's labor market, self-employment represents approximately 15% of total employment according to the Household Survey. Most of the self-employment is concentrated in the service and trade sectors. In FY 2011, self-employment totalized 163,000 showing no changes when compared to FY 2010 (163,000).

b. Employment

In the Household Survey, people are considered employed if they did any work at all for pay or profit during the surveyed week. This includes all part-time and temporary work, as well as regular full-time, year-round employment. In FY 2011, the number of employed persons (which includes self-employed individuals and agriculture employment) reached a total of 1,077,000. According to the Survey, total employment began to decline on a yearly basis in June 2006. The local economy has lost 91,000 employees in the last two years, 65,000 in FY 2010 and 26,000 in FY 2011. Analyzing the differences between the employment of men and women in FY 2011, the employment among men decreased by

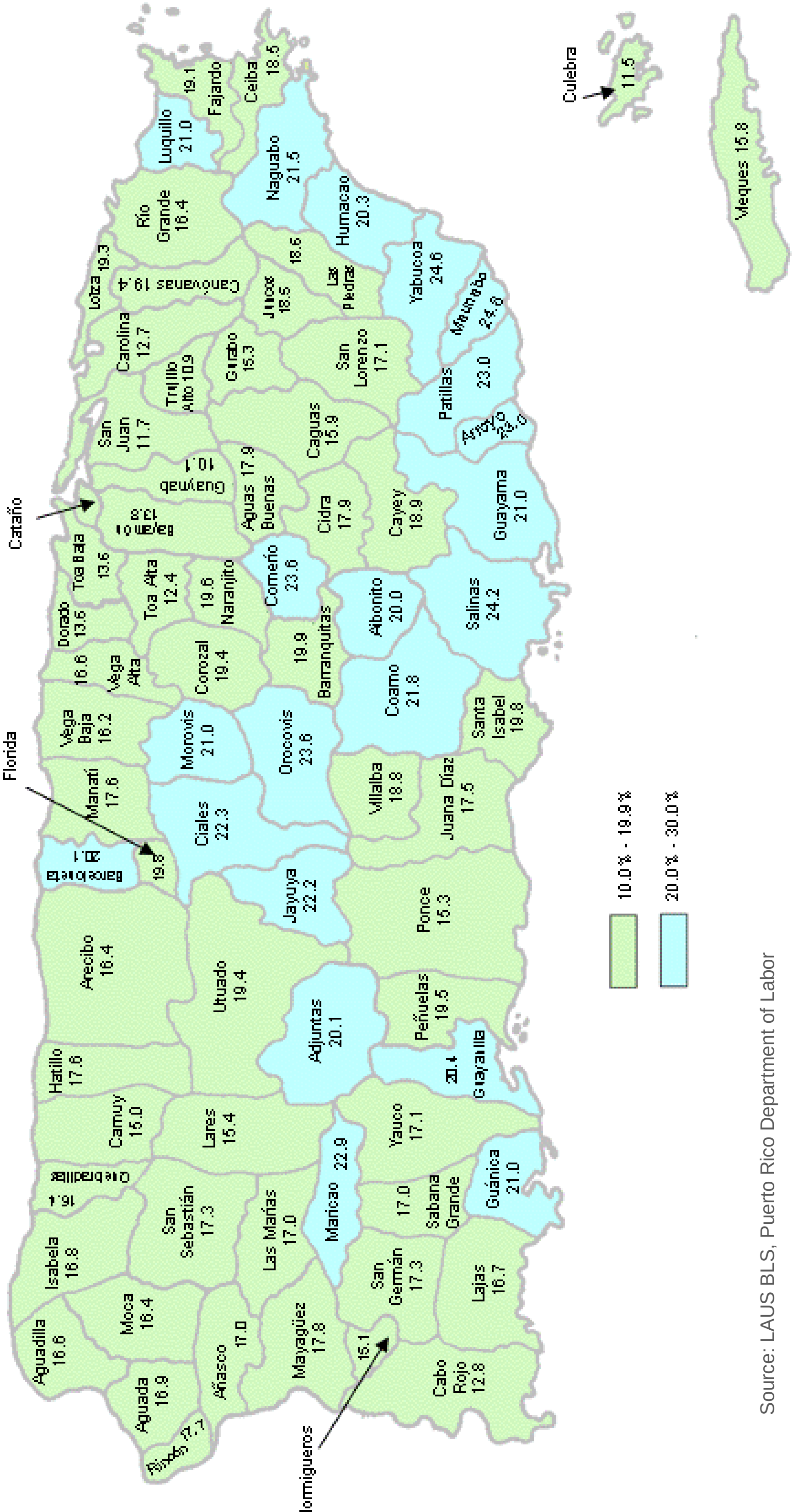
29,000 slots and for women, increased by 3,000. This represents a decline of 4.9% and an increase of 0.6%, respectively.

c. Unemployment

According to the Household Survey, persons are classified as unemployed if they do not have a job, have actively looked for work in the prior 4 weeks, and are currently available for work. In FY 2010, unemployment registered 210,000 or 29,000 jobseekers more than in 2009. The unemployment rate for FY 2010 was 16.0%, 2.6 percentage points higher than FY 2009 (13.4%). In FY 2010 the unemployment rate for men was 18.5% and 12.9% for women. This represents respective increases of 25.0% and 11.2% when compared to FY 2009.

Figure 2

Unemployment Rate – Fiscal Year 2011



Source: LAUS BLS, Puerto Rico Department of Labor

d. Employment by Industry

The data for employment by sector or industries is based on the Payroll Survey, which is designed to measure number of payrolls records by sector. The total non-farm employment shows a decreasing pattern since FY 2006. From fiscal year 2009 to fiscal year 2011, the Government; Trade, Transportation and Utilities; Professional and Business Services; and Educational and Health Services, were the sectors of the economy providing the most employment in Puerto Rico.

In FY 2011, according to the revised data of the Establishment Survey, the total employment was 918,600, reflecting a reduction of 2.2% an over the year comparison reveals a reduction of 21,100 employees. That decreasing figure represents an improvement of the labor market when compared with FY2010. All industries, except Information (increased by 300); Professional and Business Services (rose by 5,100); and Educational and Health Services (increased by 2,000) reported annual losses.The largest job losses in FY 2011 were in, Mining, Logging and Construction, (-7,200); Government, (-13,500); Trade, Transportation and Utilities, (-2,300); and Manufacturing, (-3,700).

Table 4

Total Non Farm Employment in Puerto Rico
Fiscal Years 2009 to 2011
(In thousands)

	2011p	2010r	2009r	Net Change 2011/2010	Net Change 2010/2009
Total Non Farm	**918.6**	**939.7**	**992.6**	**-21.1**	**-52.9**
Mining, Logging and Construction	28.7	35.9	49.1	-7.2	-13.2
Manufacturing	84.6	88.3	96.7	-3.7	-8.4
Trade, Transportation and Utilities	171.0	173.3	176.5	-2.3	-3.2
Information	19.1	18.8	20.2	0.3	-1.4
Financial Industries	44.7	45.9	48.5	-1.2	-2.6
Professional and Bussiness Services	107.6	102.5	105.2	5.1	-2.7
Educational and Health Services	113.1	111.1	110.0	2.0	1.1
Leisure and Hospitality	70.3	70.9	70.9	-0.6	0.0
Other Services	15.6	15.8	16.7	-0.2	-0.9
Government	263.8	277.3	300.7	-13.5	-23.4

P= Preliminary R= revised
Figures may not always add to the totals due to round off or industrial groups not included.

Source: Establishment Survey, PR Department of Labor,

There have been changes in the sector's composition in the past years. Among them, the percentage representation of the government sector in total employment which increase from 28.1% (FY 2000) to 28.7% (FY 2010). The Government sector is the major employer in Puerto Rico. In FY 2011, this sector employed 263,800 workers and registered a decline of 4.9% compared to FY 2010 (277,300). In average, between FY 2011 and FY 2010 this employment sector decreased by 13,500 slots, after a fall of 23,400 between FY2010 and FY2009.

The Trade, Transportation and Utilities sector is the second more important in employment terms. In FY 2011 amounted 171,000 representing a decline of 1.3% compared to FY 2010. Between FY 2011 and FY 2010, this employment averaged a decreased of 2,300, after a reduction of 3,200 between FY2010 and FY2009. The proportion of the Trade, Transportation and Utilities sector in total employment declined from 28.1% (FY 2000) to 18.6% (FY 2010).

The representation of Mining, Logging and Construction sector in total employment declined from 7.2% in FY 2002 to 3.1% in FY 2011. The payroll employment in the construction sector during FY 2011 was 28,700, a reduction of 20.1% from FY 2010 (35,900). In average terms, between FY 2011 and FY 2010 this employment decreased by 7,200 slots, after a drop of 13,200 between FY2010 and FY2009.

The employment payroll in the manufacturing sector during FY 2011 was 84,600, a decline of 4.1% compared with FY 2010 (88,300). The share of the manufacturing sector in the total employment fell from 14.1% in FY 2000 to 9.2% in FY 2011, maintaining its decreasing tendency.

e. Wages

The 2010 Occupational Employment Survey, in terms of employment and wages by major occupational group, presents that the Office and Administrative Support occupational group had the highest number of employees with 178,450 workers, which represents 18.8% of total employment. Such as one year ago, Management was the occupational group with the highest mean hourly wage ($32.57) and a total of 36,110 employees.

Table 5

Employment and Wages by Major Occupational Group, 2010

Occupations	Employment		Wages	
	Total	Percent Distribution	Hourly Mean	Annual Mean
Totals	**950,570**		**$12.92**	**$26,870**
Office and administrative support occupations	178,450	18.8	11.20	23,300
Sales and related occupations	101,910	10.7	10.56	21,960
Production occupations	68,700	7.2	10.75	22,360
Education, training, and library occupations	* *	* *	15.06	31,320
Food preparation and serving related occupations	66,730	7.0	8.53	17,740
Protective service occupations	62,320	6.6	12.19	25,350
Transportation and material moving occupations	55,050	5.8	9.93	20,660
Construction and extraction occupations	39,500	4.2	9.97	20,740
Healthcare practitioner and technical occupations	45,600	4.8	15.98	33,250
Business and financial operations occupations	41,980	4.4	17.51	36,430
Building and grounds cleaning and maintenance occupations	44,760	4.7	8.70	18,090
Computer and Mathematical Occupations	9,360	1.0	19.88	41,350
Installation, maintenance, and repair occupations	31,120	3.3	13.22	27,510
Management occupations	36,110	3.8	32.57	67,740
Architecture and Engineering Occupations	12,150	1.3	24.25	50,440
Life, Physical, and Social Science Occupations	7,160	0.8	20.10	41,800
Community and Social Service Occupations	18,730	2.0	13.66	28,420
Legal Occupations	4,640	0.5	28.32	58,900
Art, Desing, Entertainment, sports and media Occupations	6,590	0.7	14.41	29,960
Healthcare Support Occupations	13,980	1.5	8.99	18,700
Personal Care and Service Occupations	11,840	1.2	9.52	19,800
Farming, Fishing, and Forestry Occupations	1,340	0.1	11.98	24,930

Source: Occupational Employment Survey (OES)

The top ten (10) highest paying occupations in 2010 estimates were professional and managerial. The highest mean wage was Chief Executives with $55.21. Other occupations with high hourly mean wages were: Industrial Production Managers with $48.33, and Architectural and Engineering Managers with $46.57.

Table 6

Highest Paying Occupations, 2010

Occupation	Hourly Mean	Annual Mean
Chief executives	$55.21	$114,830
Industrial production managers	$48.33	$100,520
Architectural and Engineering Managers	$46.57	$96,870
Anesthesiologists	$44.67	$92,900
Obstetricians and Gynecologists	$44.44	$92,430
Electronic Engineering Except Computers	$43.90	$91,300
General Operations Managers	$41.79	$86,910
Judges, magistrate judges, and magistrates	$40.20	$83,630
Pediatricians, General	$40.12	$83,440
Marketing Managers	$38.46	$80,010

Source: Occupational Employment Survey (OES)

The industrial groups and the distribution percentage they represent from total employment register that Service (including Health and Educational Services) with the highest employment: 377,440 (39.8%) workers. Public Administration follows with 206,590 (21.8%) workers; and Wholesale and Retail Trade with 160,370 (17.0%). These three (3) industrial groups combined represent 78.6% of total employment.

In relation to the ten (10) industries with the highest estimated employment, Public administration was the industry with the highest number of workers with 206,590 that represents 21.8% of total employment. Educational services, and Administrative and support services, follow with112, 210 (11.8%) and 60,880 (6.4%) workers, respectively.

The OES program divides Puerto Rico into ten (10) metropolitan statistical areas that include several municipalities, these are: Adjuntas, Aguadilla, Coamo, Fajardo, Guayama, Mayagüez, Ponce, San Germán, San Juan and Yauco. San Juan (MSA) had the highest employment with 743,410 (78.2 percent) of workers. The mean and median hourly earnings for this area were $13.25 and $9.78, respectively. In relation to the three (3) highest employment occupations and the three (3) highest paying occupations for each

Metropolitan Statistical Area, Retail Salespersons was the occupation with highest employment in the San Juan metropolitan statistical area with 28,790 workers. This represents 3.9 percent of the area's total employment. The occupation with the highest mean wage per hour was general and operations manager with $60.65 in the Guayama metropolitan statistical area.

f. Business Employment Dynamics (BED):

Opening and Expanding private sector business establishments in Puerto Rico gained 44,957 jobs in the fourth quarter of 2010 (October to December), an increase of 5,119 from previous quarter. Over the quarter, expanding establishments added 38,081 jobs, while opening establishments added 6,876. Gross job losses amounted to 36,329 in the fourth quarter of 2010, a decrease of 4,088 from the third quarter 2010. This was the third decrease in gross job losses since March of 2010. In the fourth quarter of 2010, contracting establishments lost 27,943 jobs, while closing establishments lost 8,386 jobs.

Table 7

Three-Month Private Sector Gross Job Gains and Losses, Seasonally adjusted

Category	3 months ended				
	Dec. 2009	Mar. 2010	June 2010	Sept. 2010	Dec. 2010
	Levels				
Gross job gains	45,647	38,617	37,160	39,838	44,957
At expanding establishments	36,634	31,045	30,478	31,788	38,081
At opening establishments	9,013	7,572	6,682	8,050	6,876
Gross job losses	41,169	44,755	43,997	40,417	36,329
At contracting establishments	32,092	37,493	36,331	32,742	27,943
At closing establishments	9,077	7,262	7,666	7,675	8,386
Net employment change [1]	4,478	-6,138	-6,837	-579	8,628

[1] The net employment change is the difference between total gross job gains and total gross job losses. See the Technical Note for further information.

Source: Business Employment Dynamics (BED).

From October to December 2010, gross job gains represented 6.7% of private sector employment. Over the quarter, gross job gains at expanding establishments represented 5.7% of private sector employment, and gross job gains at opening establishments represented 1.0%. Nationally, this quarter gross job gains at expanding establishments represented 5.3% of private sector employment, and at opening establishments represented 1.3%. The same data for job losses shows that, gross job losses represented 5.5% of private sector employment. Gross job losses at contracting establishments represented 4.2% of private sector employment, which was less than to the national rate at contracting establishments (4.9%).

Table 8

Three-Month Private Sector Gross Job Gains and Losses as Percent of Employment, Seasonally adjusted

Category	3 months ended				
	Dec. 2009	Mar. 2010	June. 2010	Sept. 2010	Dec. 2010
	Rates (percent)				
Total Private for Commonw ealth of Puerto Rico					
Gross job gains…………........................	6.7	5.7	5.5	6	6.7
At expanding establishments…........	5.4	4.6	4.5	4.8	5.7
At opening establishments…...........	1.3	1.1	1	1.2	1
Gross job losses……….......................	6.1	6.7	6.5	6.1	5.5
At contracting establishments..........	4.8	5.6	5.4	4.9	4.2
At closing establishments….............	1.3	1.1	1.1	1.2	1.3
Net employment change[1]….....................	0.6	-1	-1	-0.1	1.2
	Rates (percent)				
Total Private for United States as a w hole					
Gross job gains……………................	6.4	5.8	6.6	6.2	6.6
At expanding establishments…….	5.1	4.7	5.4	5.1	5.3
At opening establishments….........	1.3	1.1	1.2	1.1	1.3
Gross job losses……………................	6.5	6.1	5.9	6	6.1
At contracting establishments.......	5.3	5	4.8	4.9	4.9
At closing establishments….........	1.2	1.1	1.1	1.1	1.2
Net employment change[1]......…............	-0.1	-0.3	0.7	0.2	0.5

[1] The net employment change is the difference betw een total gross job gains and total gross job losses. See the Technical Note for further information.

Source: Business Employment Dynamics (BED).

Another way to evaluate the dynamics of employment change is to count the number of establishments that opened, closed, expanded, or contracted during a given quarter. Out of 47,964 active private sector establishments, a total of 9,818 establishments gained jobs from October to December 2010. Of these, 8,463 were expanding establishments and 1,355 were opening establishments. During the fourth quarter of 2010, 8,631 establishments lost jobs. Of these, 7,017 were contracting establishments and 1,614 were closing establishments.

Table 9

Number of Private Sector Establishment by Direction of Employment Change, Seasonally adjusted

Category	3 months ended				
	Dec. 2009	Mar. 2010	June. 2010	Sept. 2010	Dec. 2010
Establishments gaining jobs……………	9,885	8,287	8,553	8,798	9,818
Expanding establishments………..	8,180	6,783	7,295	7,363	8,463
Opening establishments………….	1,705	1,504	1,258	1,435	1,355
Establishments losing jobs…………….	9,395	10,834	10,024	9,457	8,631
Contracting establishments………	7,567	9,023	8,273	7,806	7,017
Closing establishments……………	1,828	1,811	1,751	1,651	1,614
Net establishment change[1]…………….	-123	-307	-493	-216	-259

[1] The net establishment change is the difference between the number of opening establishments and the number of closing establishments. See the Technical Note for further information.

Source: Business Employment Dynamics (BED).

From October to December 2010, a total of 816 new private sector non-farm businesses created 4,855 jobs. This represented a decrease of 38 establishment births and 820 jobs from the previous quarter. The jobs gains by these new establishments represented 0.7 percent of total births employment. The historical time series of birth data shows that the number of establishment births has remained around 1,200 every quarter, while employment from births dropped from 52,610 in the fourth quarter 2003 to 4,855 in the fourth quarter of 2010.

E. Other Indicators

1. Insured Unemployment

a. Characteristics of the Insured Unemployed

The situation in overall unemployment is reflected by the trend in total weeks claimed since 2008 (2,287,004); 2009 (3,087,944) to 2010 (2,834,409) weeks. But, an increasing pattern is observed in the number of claimants registered climbing from 462,549 two years ago to 683,450 in 2010. The number of exhausters unemployed presented the same pattern as it rose from 48,438 in 2008 to 79,910 in year 2010.

Table 10

Unemployment Insurance Benefits[1]

Item	2010	2009	2008
Weeks Claimed	2,834,409	3,087,944	2,287,004
Claimants	683,450	670,565	462,549
Exhausters	79,910	62,067	48,438

[1] Revised in August 2011.

b. Gender and Age

In FY 2011 the gender distribution of the sample was 27,474 males or 54.1% and 23,319 females or 45.9% of the total (50,793). This has been a consistent pattern for the past years as the number of unemployed men collecting unemployment insurance benefits is usually higher than for women.

Table 11

Characteristics of the Insured Unemployed
Gender and Age - Fiscal Year 2011

Gender	Average	Percent
Total	**50,793**	**100.0**
Male	27,474	54.1
Female	23,319	45.9
Age		
Total	**50,793**	**100.0**
<22	2,098	4.1
22-24	4,605	9.1
25-34	17,331	34.1
35-44	12,499	24.6
45-54	8,917	17.6
55-59	2,794	5.5
60-64	1,688	3.3
>65	844	1.7
INA	17	0.0

Source: B.L.S. – P.R. Department of Labor and Human Resources
Research and Statistics Division

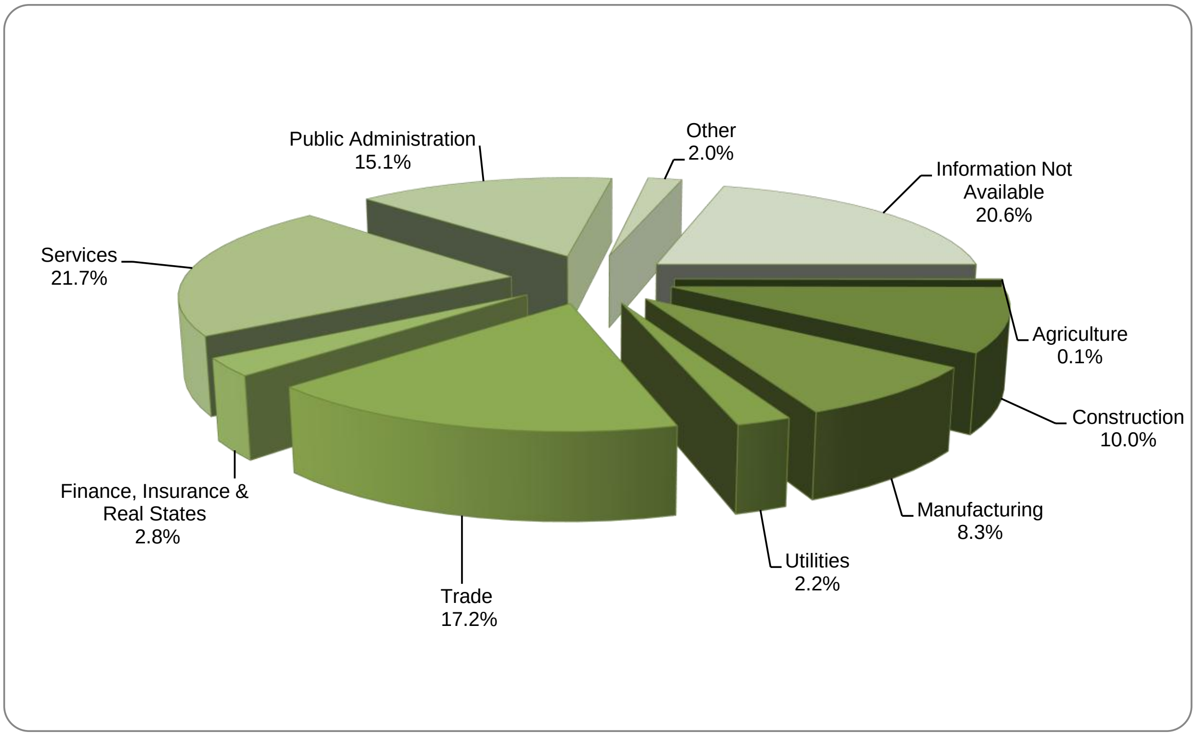
In relation to age of both sexes, persons between 25 to 34 years comprised the most significant group with an average of 34.1% for the FY 2011 (33.2% in FY 2010). It was followed by the age cohort between 35 to 44 years representing 24.6% of all claimants (24.7% in FY 2010). The group with the smallest representation was 65 years or more with 1.7% (1.6% in FY 2010).

c. Industry

The industry reporting the greatest workers loss was Services, as it holds 21.7% of all claimants in FY 2011 (20.8% in FY 2010). In Services category, restaurants and entertainment declined as people reduce leisure activities from their immediate priorities. The other proportions of workers loss, Trade industry, 17.2% (15.3% in FY 2010) and Public Administration, 15.1% (15.3% in FY 2010). Construction recorded 10% (13.3% in FY 2010), and Manufacturing, 8.3% (9.6% in FY 2010) of the total claimants.

Figure 3

Characteristics of the Insured Unemployed
Industrial Category - Fiscal Year 2011



Source: B.L.S. – PR Department of Labor and Human Resources

Research and Statistics Division

II. Projections

A. Industry Projections

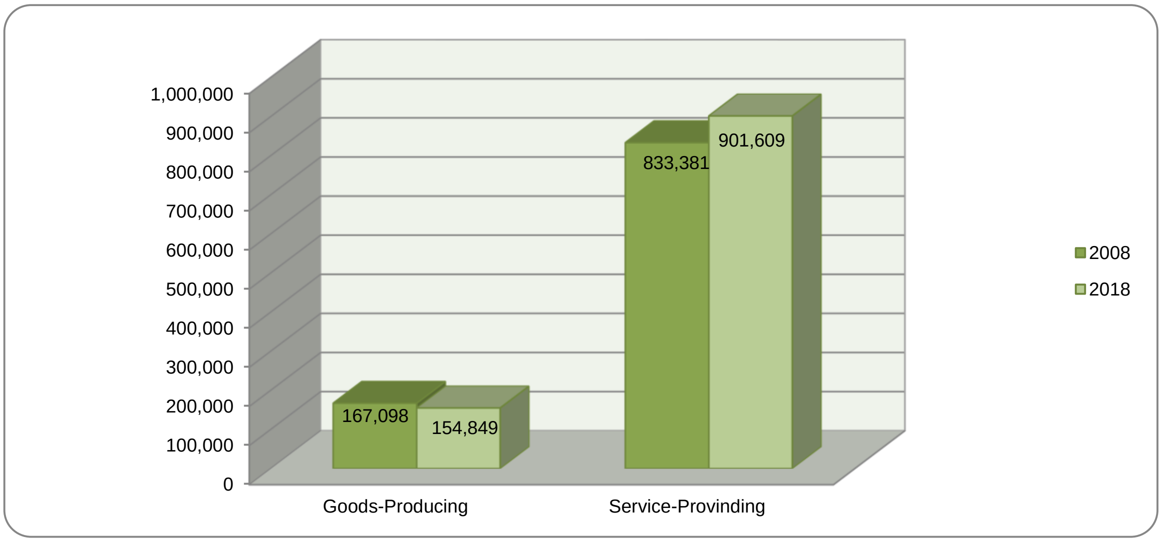
The industries are classified by *Goods-Producing* and *Service-Providing* sectors. The Goods-Producing sector is composed by *Agriculture, Forestry, Fishing and Hunting; Mining; Construction; and Manufacturing*. The Service-Providing sector includes *Wholesale and Retail Trade; Transportation and Utilities; Information; Financial Activities; Professional and Business Services; Education and Health Services; Leisure and Hospitality; Other Services (except Government); and Government*. For the 2018 projection year Puerto Rico shows an increase of 59,384 new jobs. This increase is mainly expected from the Service-Providing sector.

The major industries expected to create new jobs for 2018 are: *Professional, Scientific, and Technical Services* with 26,139 jobs; *Education and Health Services* with 23,619 jobs; *Trade, Transportation and Utilities* with 14,510 jobs; *Leisure and Hospitality* with 5,439 jobs; *Finance Activities* with 4,332 jobs; *Information* with 2,204 jobs; *Others Services (except Government)* with 2,196 jobs; and *Construction* with 59 jobs. *Professional, Scientific, and Technical Services* industry group shows the highest projected growth for 2018. Among these, *Ambulatory Health Care Services; Hospitals; Social Assistant; and Nursing and Residential Care Facilities* show the highest increment. *Government; Manufacture; Agriculture, Forestry, Fishing and Hunting; and Mining, Quarrying, and Oil and Gas Extraction* presents a loss in employment for the projected period.

The figures above show the Top Fastest Growing Industries, Industries Gaining the Most New Jobs and Decline Industries.

Figure 4

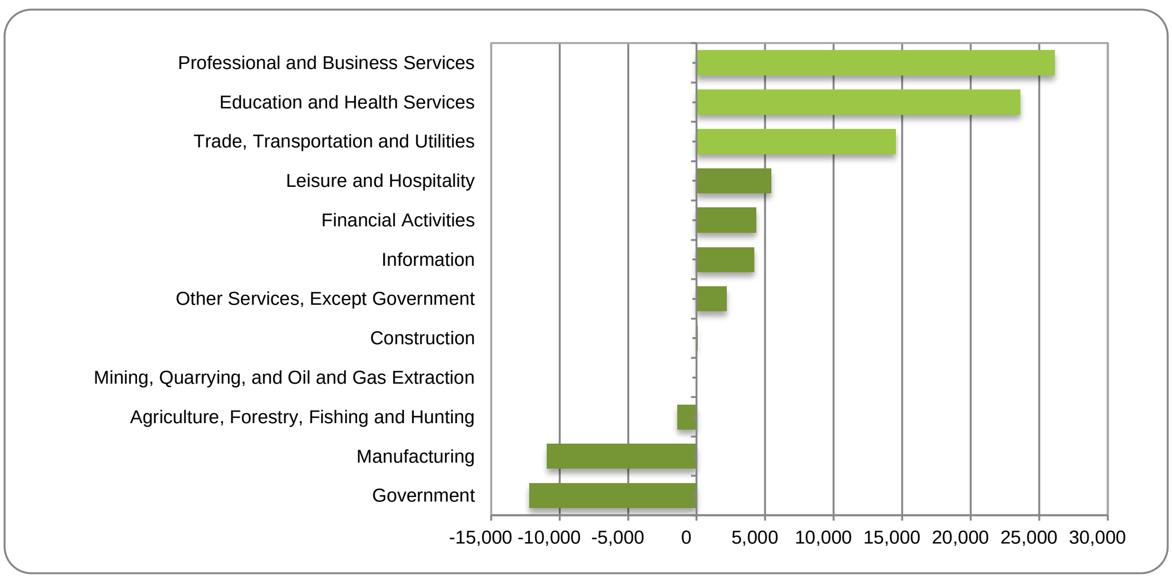
Industry Employment Projections
Employment by Sector, 2008-2018



Source: Research and Statistics Division, PR Department of Labor and Human Resources

Figure 5

Industry Employment Projections
Employment Outlook by Major Industry, 2008-2018



Source: Research and Statistics Division, PR Department of Labor and Human Resources

Table 12

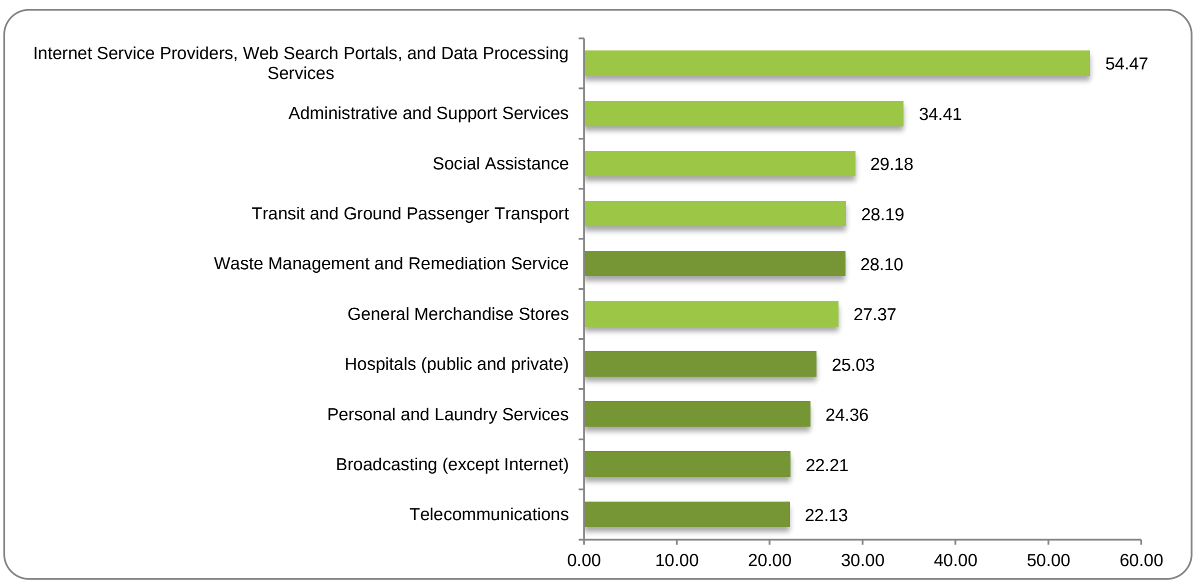
Industry Employment Projections
Employment Outlook by Major Industry, 2008-2018

Industry Title	2008 Employment	2018 Projected Employment	Change (2008-2018) Employment	Change (2008-2018) Percent
Total Employment, All Jobs	**1,117,995**	**1,177,379**	**59,384**	**5.31**
Goods-Producing Industries	**167,098**	**154,849**	**-12,249**	**-7.33**
Agriculture, Forestry, Fishing and Hunting	10,587	9,191	-1,396	-13.19
Mining, Quarrying, and Oil and Gas Extraction	1,189	1,180	-9	-0.76
Construction	53,967	54,026	59	0.11
Manufacturing	101,355	90,452	-10,903	-10.76
Service-Providing Industries	**833,381**	**901,609**	**68,228**	**8.19**
Trade, Transportation and Utilities	179,334	193,844	14,510	8.09
Information	20,744	24,948	4,204	20.27
Financial Activities	47,687	52,019	4,332	9.08
Professional and Business Services	107,223	133,362	26,139	24.38
Education and Health Services	163,413	187,032	23,619	14.45
Leisure and hospitality	72,290	77,729	5,439	7.52
Other Services (Except Government)	16,987	19,183	2,196	12.93
Government	225,703	213,492	-12,211	-5.41
Total Self-Employed and Unpaid Family Workers	**117,516**	**120,921**	**3,405**	**2.90**

Source: Research and Statistics Division, PR Department of Labor and Human Resources

Figure 6

Industry Employment Projections
Fastest-Growing Industries, 2008-2018*

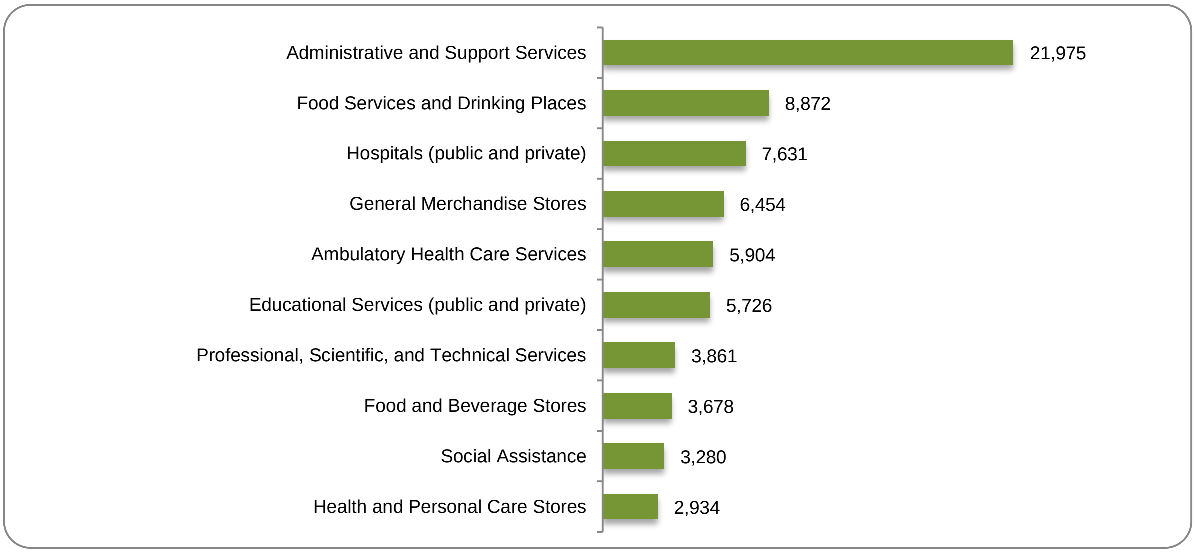


*Industries with a minimum of 1,000 jobs in 2008.

Source: Research and Statistics Division, PR Department of Labor and Human Resources

Figure 7

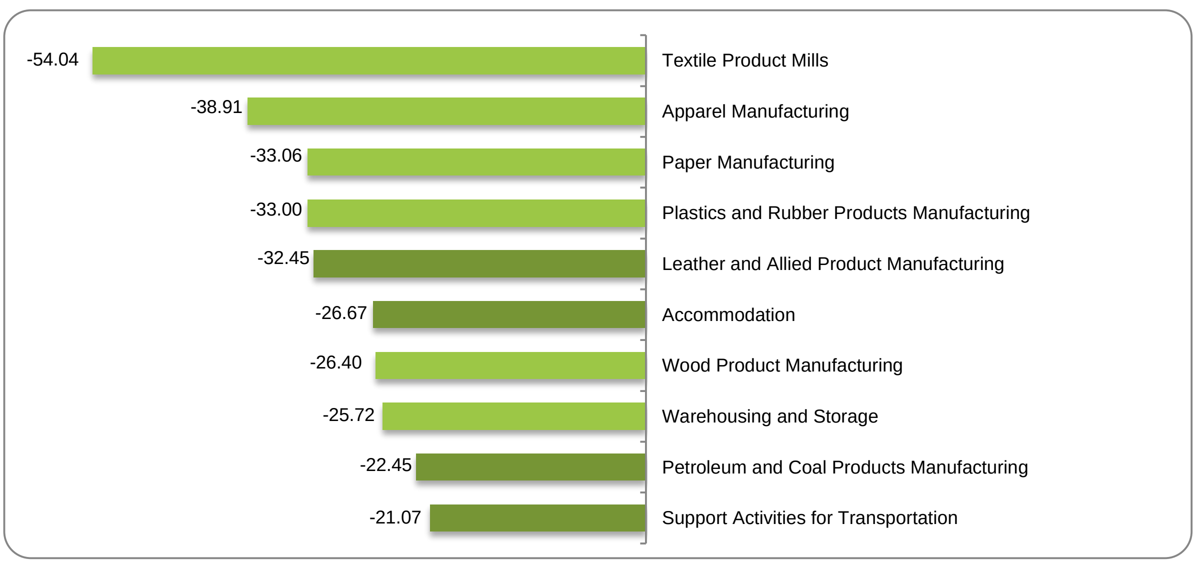
Industry Employment Projections
Industries Gaining the Most New Jobs, 2008-2018



Source: Research and Statistics Division, PR Department of Labor and Human Resources

Figure 8

Industry Employment Projections
Declining Industries by Percent Growth, 2008-2018



Source: Research and Statistics Division, PR Department of Labor and Human Resources

B. Occupational Projections

Puerto Rico expects a raise in employment of 5.31% or 59,384 through the tenth year's projection period (2008-2018). Approximately 33,063 job openings are forecasted each year. From these, 25,045 will be replaced by current employees and 8,018 represent new slots. *Service Occupations* group will expect the major employment increase with 9.72%. The major occupations groups with a loss in employment are *Production* (4,878) and *Farming, Fishing, and Forestry* (978).

The figures above show the **Top Fastest Growing Occupations**, **Occupations Gaining the Most New Jobs, Decline Occupations,** and **Employment Projection by Education and Training Level (2008-2018)**.

Table 13

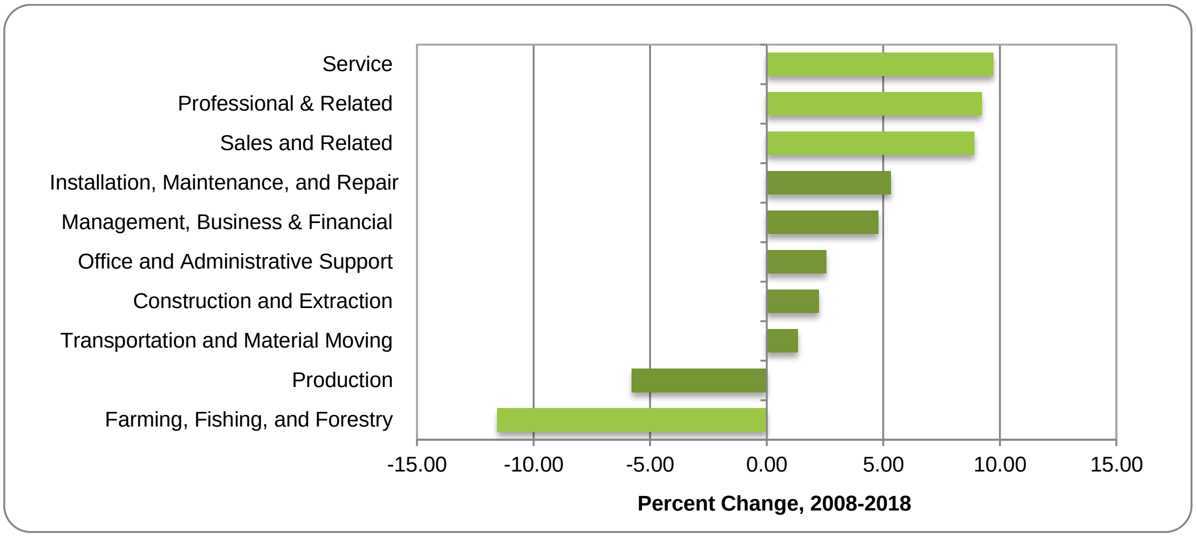
Ocupational Employment Projections
Employment Outlooks by Major Occupational Group, 2008-2018

SOC Title	2008 Employment	2018 Projected Employment	Change (2008-2018) Employment	Change (2008-2018) Percent	Average Annual Openings Due To Growth	Average Annual Openings Due To Replacement	Average Annual Openings Total
Total, All Occupations	**1,117,995**	**1,177,379**	**59,384**	**5.31**	**8,018**	**25,045**	**33,063**
Management, Business & Financial Occupations	**105,925**	**110,986**	**5,061**	**4.78**	**597**	**2,375**	**2,972**
Management Occupations	60,437	61,554	1,117	1.85	196	1,463	1,659
Business and Financial Operations Occupations	45,488	49,432	3,944	8.67	401	912	1,313
Professional & Related Occupations	**188,287**	**205,649**	**17,362**	**9.22**	**1,820**	**4,219**	**6,039**
Computer and Mathematical Occupations	9,649	10,550	901	9.34	111	202	313
Architecture and Engineering Occupations	13,260	13,678	418	3.15	65	275	340
Life, Physical, and Social Science Occupations	10,408	11,001	593	5.70	64	331	395
Community and Social Services Occupations	19,233	19,609	376	1.95	53	427	480
Legal Occupations	6,244	6,370	126	2.02	24	109	133
Education, Training, and Library Occupations	70,757	75,946	5,189	7.33	519	1,576	2,095
Arts, Design, Entertainment, Sports, and Media Occupations	11,232	12,073	841	7.49	85	295	380
Healthcare Practitioners and Technical Occupations	47,504	56,422	8,918	18.77	899	1,004	1,903
Service Occupations	**223,044**	**244,726**	**21,682**	**9.72**	**2,390**	**5,506**	**7,896**
Healthcare Support Occupations	15,220	18,692	3,472	22.81	349	184	533
Protective Service Occupations	67,434	74,961	7,527	11.16	943	1,684	2,627
Food Preparation and Serving Related Occupations	67,636	74,916	7,280	10.76	738	2,259	2,997
Building and Grounds Cleaning and Maintenance Occupations	53,564	55,356	1,792	3.35	179	917	1,096
Personal Care and Service Occupations	19,190	20,801	1,611	8.39	181	462	643
Sales and Related Occupations	**128,551**	**139,992**	**11,441**	**8.90**	**1,244**	**3,797**	**5,041**
Office and Administrative Support Occupations	**197,325**	**202,366**	**5,041**	**2.55**	**1,030**	**3,673**	**4,703**
Farming, Fishing, and Forestry Occupations	**8,478**	**7,500**	**-978**	**-11.54**	**1**	**225**	**226**
Construction and Extraction Occupations	**78,703**	**80,462**	**1,759**	**2.23**	**249**	**1,301**	**1,550**
Installation, Maintenance, and Repair Occupations	**37,943**	**39,963**	**2,020**	**5.32**	**222**	**778**	**1,000**
Production Occupations	**84,419**	**79,541**	**-4,878**	**-5.78**	**231**	**1,591**	**1,822**
Transportation and Material Moving Occupations	**65,320**	**66,194**	**874**	**1.34**	**234**	**1,580**	**1,814**

Source: Research and Statistics Division, PR Department of Labor and Human Resources

Figure 9

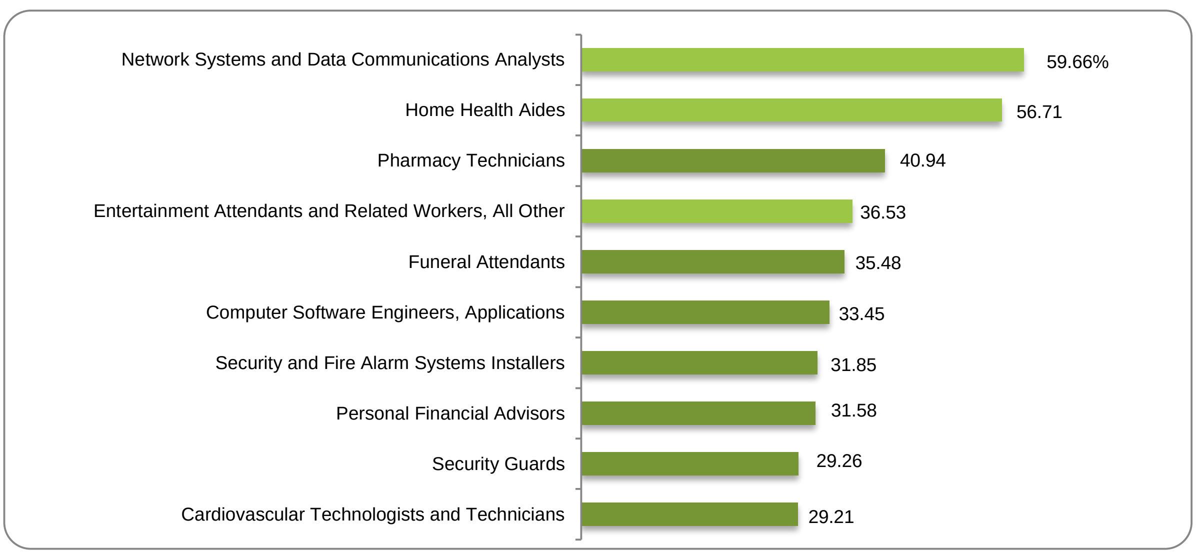
Ocupational Employment Projections
Employment Outlooks by Major Occupational Group, 2008-2018



Source: Research and Statistics Division, PR Department of Labor and Human Resources

Figure 10

Ocupational Employment Projections
Top 10 – Fastest-Growing Occupations*, 2008-2018

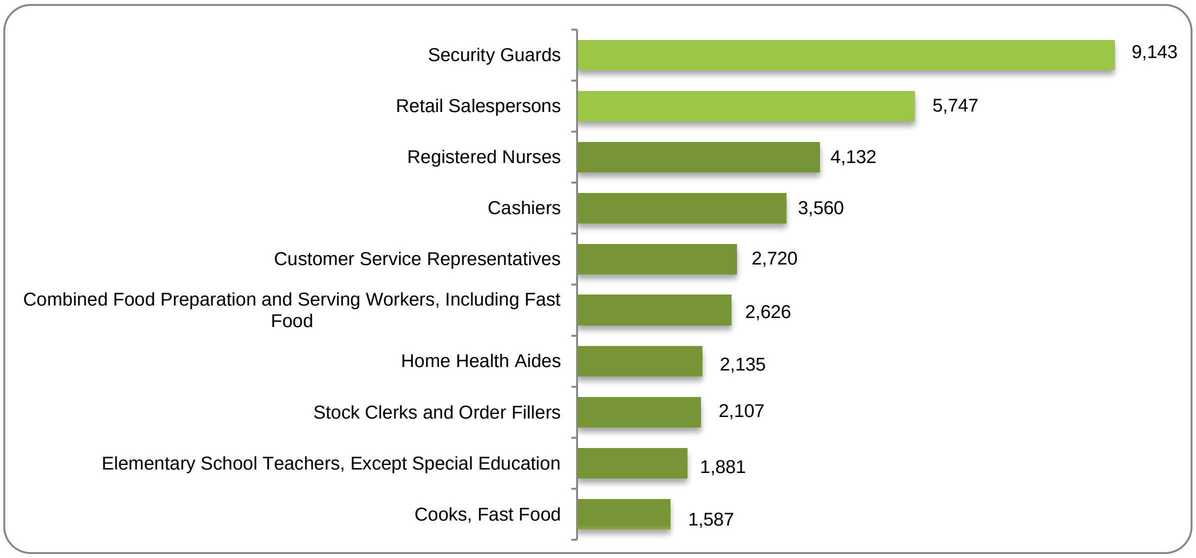


*Occupations with a minimum of 200 jobs in 2008.

Source: Research and Statistics Division, PR Department of Labor and Human Resources

Figure 11

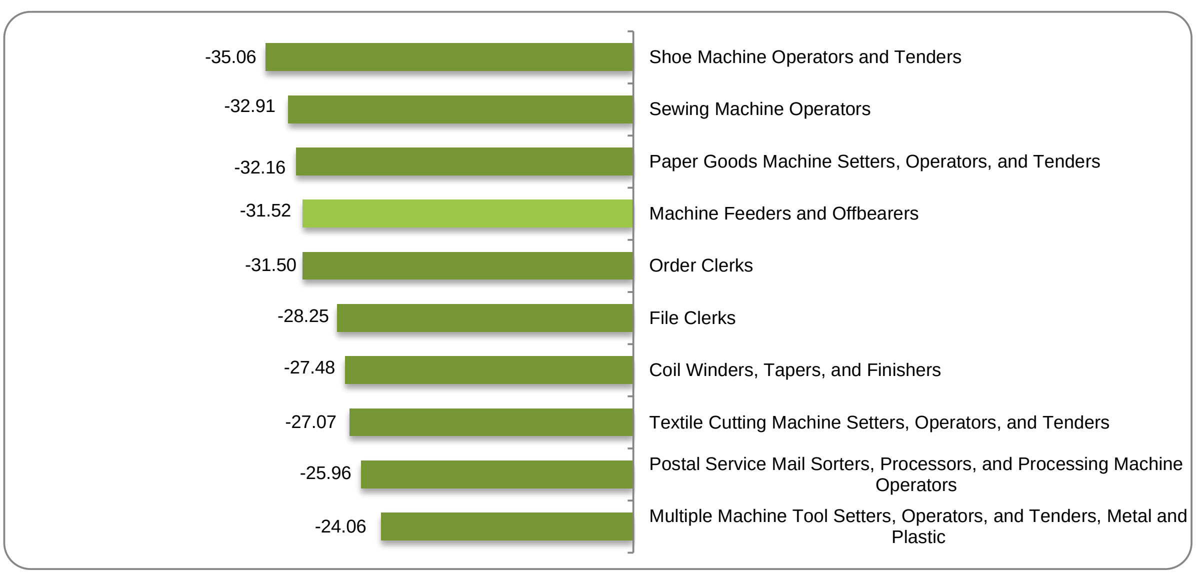
Ocupational Employment Projections
Top 10 – Occupations Gaining the Most New Jobs, 2008-2018



Source: Research and Statistics Division, PR Department of Labor and Human Resources

Figure 12

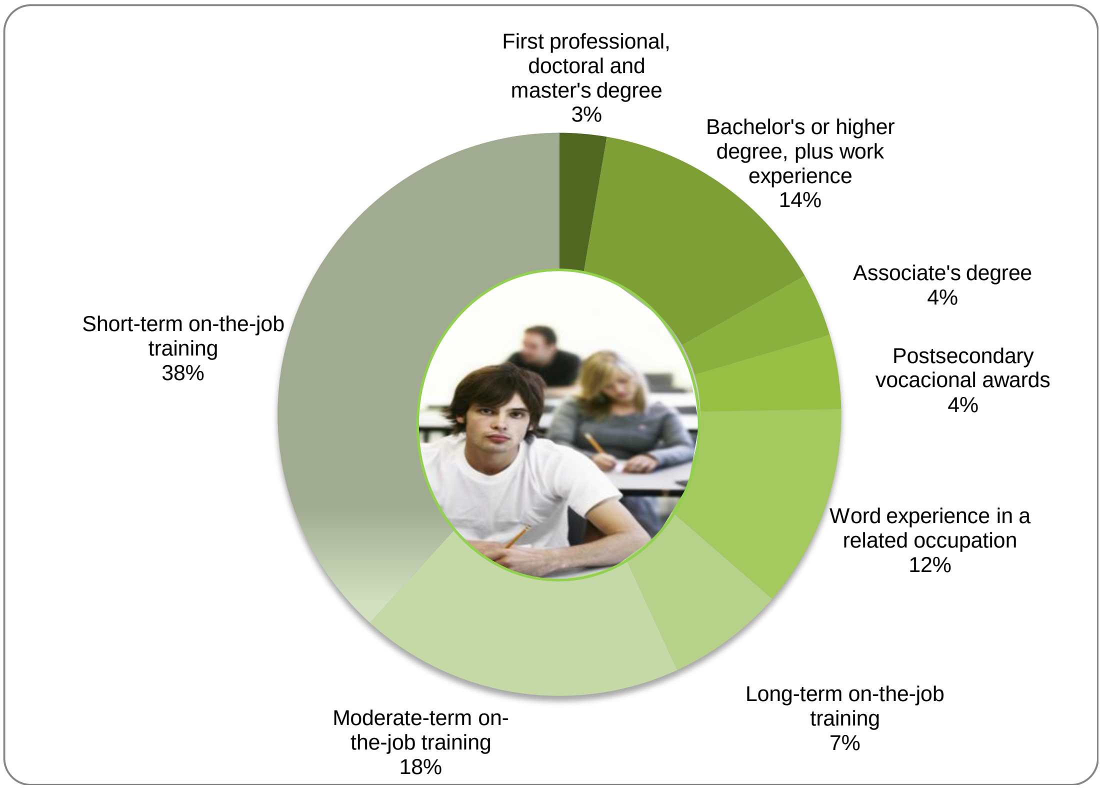
Ocupational Employment Projections
Top 10 – Declining or Slow-Growth Occupations, 2008-2018



Source: Research and Statistics Division, PR Department of Labor and Human Resources

Figure 13

Ocupational Employment Projections
Employment Projected by Education and Training Level, 2008-2018



Source: Research and Statistics Division, PR Department of Labor and Human Resources

III. Population

A. Demographic

The first years of century XXI (from 2000 to 2010) presents a dramatic downturn in the population expansion of Puerto Rico. For the first time in over a century the population shows a reduction in its growth. In fact, is one of only two jurisdictions of the United States where this happens during the period, the other is the state of Michigan with a 0.6% decreases in population, but the island had the greater loss of both. The population of Puerto Rico decline from 3,808,610 inhabitants in 2000 to 3,725,789 in 2010, a reduction of 82,821 inhabitants or -2.2%.

For the last two decades a diminishing pattern in the population growth was noticeable in urban zones such as San Juan and Ponce and this tendency extended to most urban centers and municipalities in the Island including those that were showing increasing trends, such as Bayamón and Guaynabo, and many others in rural areas. The exception was a group of municipalities of the east and central area headed by Gurabo and some isolated cases in the rest of the Island. On the other hand, the most dramatic case presenting a reduction in population is the municipality of Ceiba, losing close to 25.0% of its population for the decade. This is mainly attributable to the closing of the Roosevelt Roads military base.

The data on Puerto Rico show that the five most populated areas and its corresponding population according to the 2010 census are, San Juan, 395,326; Bayamón, 208,116; Carolina, 176,762; Ponce, 166,327; and Caguas, 142,893. In 2010, San Juan population diminished in 9.0% from Census 2000; Bayamón in 7.1%; Carolina in 5.0 %; Ponce in 10.8%; and Caguas increased in 1.7%.

Table 14

Population 2000 and 2010
Main Municipalities

Municipality	Total Population Census 2010	Total Population Census 2000	Difference 2010 vs. 2000	Per cent Change 2010 vs. 2000
San Juan	395,326	434,374	-39,048	-9.0
Bayamón	208,116	224,044	-15,928	-7.1
Carolina	176,762	186,076	-9,314	-5.0
Ponce	166,327	186,475	-20,148	-10.8
Caguas	142,893	140,502	2,391	1.7
Guaynabo	97,924	100,053	-2,129	-2.1
Arecibo	96,440	100,131	-3,691	-3.7
Toa Baja	89,609	94,085	-4,476	-4.8
Mayagüez	89,080	98,434	-9,354	-9.5
Trujillo Alto	74,842	75,728	-886	-1.2

Source: U.S. Census Bureau, 2010 Census.

B. 2010 Census Results

In examining the map of population changes by municipality published by the Puerto Rico Planning Board, it can be observed how the municipalities that are in the outskirts of the most populated areas have been gaining population. Although for some, this it is evidence of a population displacement caused by urban expansion, for the Planning Board, this is evidence of the tendency towards the regionalization of Puerto Rico. Regardless, the most populated municipalities are the economic magnets for jobs and economic activity. It would be reasonable to infer that the minor municipalities (without intention to despise any) must have increased in residential uses of its lands when their inhabitants are not working in the most populated municipalities. This situation stimulates the use of cars and its dependence as a mean of transportation making difficult the densification of the cities, preventing the development of efficient public transportation and pedestrian oriented cities.

Beyond the population displacement, another worrisome aspect presented on the 2010 Census is the age profile of our population, the results show that 14.5% of Puerto Ricans living on the Island are 65 or older, revealing an aging society. If the tendency identified continues, our overall population must have significantly aged, among other factors as a result of a reduced rate of birth, on the other hand, not to mention the degree of medical attention needed by a society with such a large percentage of elderly people. As consequence the labor sector population (persons between the 16 to 64 years) also declined for this 2010 Census.

The data of the population changes for this decennial census is the reference that we must use to plan our future. If our population has decreased, then we must be concerned about the way in which the infrastructure of our country is being planned because we shouldn't construct systems for a non-existing increasing population. By timely identification of the impact of these changes different solutions could be evaluated. If we don't work in a timely manner with the demographic forthcoming profile we will face to choose between difficult alternatives like the ones faced by France and Germany. The first one had to increase the retirement age and the second is next to open the borders to foreign workers who fill vacancies in their labor force. It is in our hands to find early solutions to avoid these situations.

Table 15a

Population 2000 and 2010
Municipalities

Geographic Area	1-Apr-10 Census	1-Apr-00 Census	NET CHANGE	Percent Change
Puerto Rico	**3,725,789**	**3,808,610**	**-82,821**	**-2.17%**
Adjuntas Municipality	19,483	19,143	340	1.78%
Aguada Municipality	41,959	42,042	-83	-0.20%
Aguadilla Municipality	60,949	64,685	-3,736	-5.78%
Aguas Buenas Municipality	28,659	29,032	-373	-1.28%
Aibonito Municipality	25,900	26,493	-593	-2.24%
Añasco Municipality	29,261	28,348	913	3.22%
Arecibo Municipality	96,440	100,131	-3,691	-3.69%
Arroyo Municipality	19,575	19,117	458	2.40%
Barceloneta Municipality	24,816	22,322	2,494	11.17%
Barranquitas Municipality	30,318	28,909	1,409	4.87%
Bayamón Municipality	208,116	224,044	-15,928	-7.11%
Cabo Rojo Municipality	50,917	46,911	4,006	8.54%
Caguas Municipality	142,893	140,502	2,391	1.70%
Camuy Municipality	35,159	35,244	-85	-0.24%
Canóvanas Municipality	47,648	43,335	4,313	9.95%
Carolina Municipality	176,762	186,076	-9,314	-5.01%
Cataño Municipality	28,140	30,071	-1,931	-6.42%
Cayey Municipality	48,119	47,370	749	1.58%
Ceiba Municipality	13,631	18,004	-4,373	-24.29%
Ciales Municipality	18,782	19,811	-1,029	-5.19%
Cidra Municipality	43,480	42,753	727	1.70%
Coamo Municipality	40,512	37,597	2,915	7.75%
Comerío Municipality	20,778	20,002	776	3.88%
Corozal Municipality	37,142	36,867	275	0.75%
Culebra Municipality	1,818	1,868	-50	-2.68%
Dorado Municipality	38,165	34,017	4,148	12.19%
Fajardo Municipality	36,993	40,712	-3,719	-9.13%
Florida Municipality	12,680	12,367	313	2.53%
Guánica Municipality	19,427	21,888	-2,461	-11.24%
Guayama Municipality	45,362	44,301	1,061	2.39%
Guayanilla Municipality	21,581	23,072	-1,491	-6.46%
Guaynabo Municipality	97,924	100,053	-2,129	-2.13%
Gurabo Municipality	45,369	36,743	8,626	23.48%
Hatillo Municipality	41,953	38,925	3,028	7.78%
Hormigueros Municipality	17,250	16,614	636	3.83%
Humacao Municipality	58,466	59,035	-569	-0.96%
Isabela Municipality	45,631	44,444	1,187	2.67%

Source: U.S. Census Bureau, 2010 Census.

Table 15b

Population 2000 and 2010
Municipalities

Geographic Area	1-Apr-10 Census	1-Apr-00 Census	NET CHANGE	Percent Change
Jayuya Municipality	16,642	17,318	-676	-3.90%
Juana Díaz Municipality	50,747	50,531	216	0.43%
Juncos Municipality	40,290	36,452	3,838	10.53%
Lajas Municipality	25,753	26,261	-508	-1.93%
Lares Municipality	30,753	34,415	-3,662	-10.64%
Las Marías Municipality	9,881	11,061	-1,180	-10.67%
Las Piedras Municipality	38,675	34,485	4,190	12.15%
Loíza Municipality	30,060	32,537	**-2,477**	-7.61%
Luquillo Municipality	20,068	19,817	251	1.27%
Manatí Municipality	44,113	45,409	**-1,296**	-2.85%
Maricao Municipality	6,276	6,449	-173	-2.68%
Maunabo Municipality	12,225	12,741	-516	-4.05%
Mayagüez Municipality	89,080	98,434	-9,354	-9.50%
Moca Municipality	40,109	39,697	412	1.04%
Morovis Municipality	32,610	29,965	2,645	8.83%
Naguabo Municipality	26,720	23,753	2,967	12.49%
Naranjito Municipality	30,402	29,709	693	2.33%
Orocovis Municipality	23,423	23,844	-421	-1.77%
Patillas Municipality	19,277	20,152	-875	-4.34%
Peñuelas Municipality	24,282	26,719	**-2,437**	-9.12%
Ponce Municipality	166,327	186,475	-20,148	-10.80%
Quebradillas Municipality	25,919	25,450	469	1.84%
Rincón Municipality	15,200	14,767	433	2.93%
Río Grande Municipality	54,304	52,362	1,942	3.71%
Sabana Grande Municipality	25,265	25,935	-670	-2.58%
Salinas Municipality	31,078	31,113	-35	-0.11%
San Germán Municipality	35,527	37,105	-1,578	-4.25%
San Juan Municipality	395,326	434,374	-39,048	-8.99%
San Lorenzo Municipality	41,058	40,997	61	0.15%
San Sebastián Municipality	42,430	44,204	-1,774	-4.01%
Santa Isabel Municipality	23,274	21,665	1,609	7.43%
Toa Alta Municipality	74,066	63,929	10,137	15.86%
Toa Baja Municipality	89,609	94,085	-4,476	-4.76%
Trujillo Alto Municipality	74,842	75,728	-886	-1.17%
Utuado Municipality	33,149	35,336	-2,187	-6.19%
Vega Alta Municipality	39,951	37,910	2,041	5.38%
Vega Baja Municipality	59,662	61,929	-2,267	-3.66%

Source: U.S. Census Bureau, 2010 Census.

Table 15c

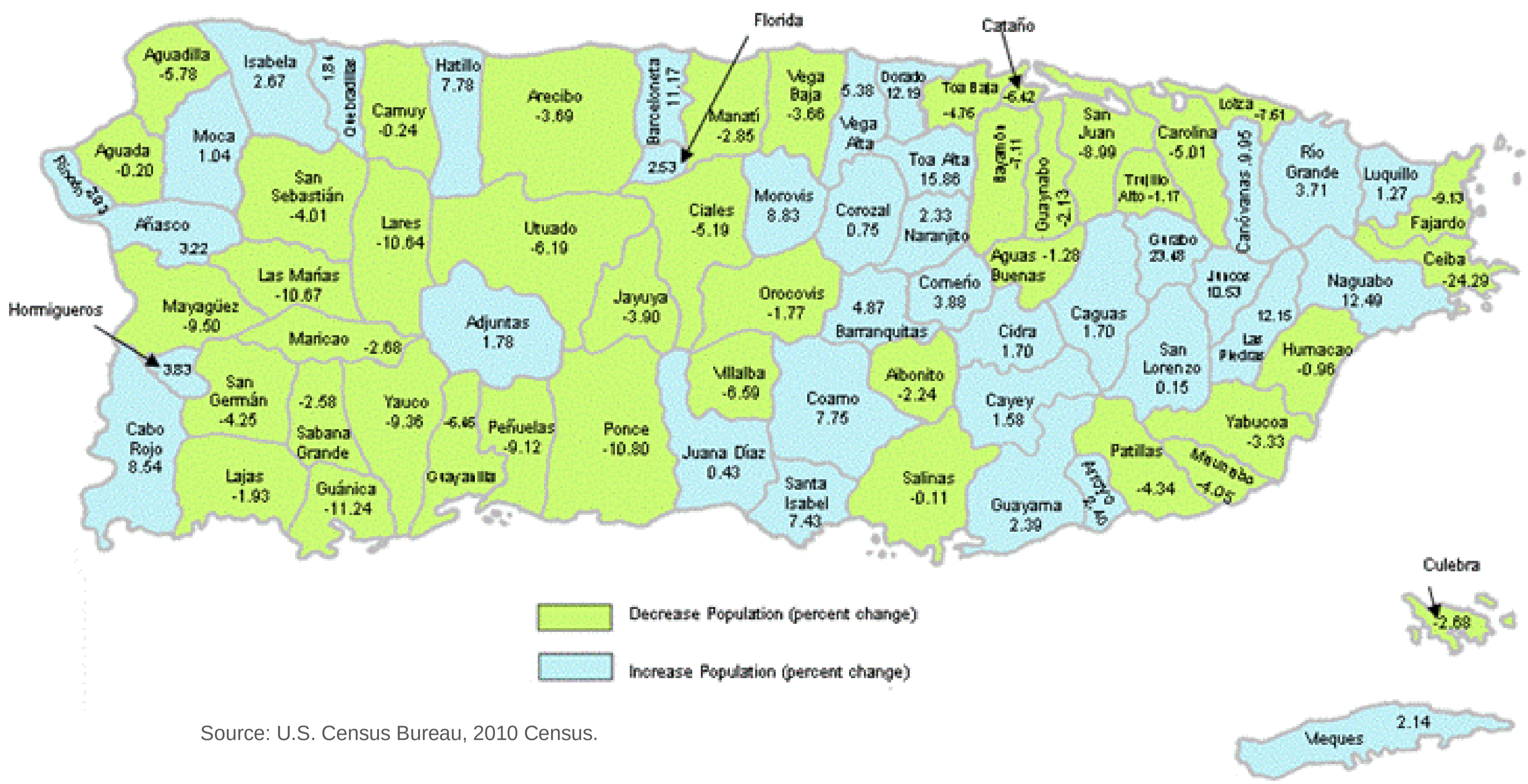
Population 2000 and 2010
Municipalities

Geographic Area	1-Apr-10 Census	1-Apr-00 Census	NET CHANGE	Percent Change
Vieques Municipality	9,301	9,106	195	2.14%
Villalba Municipality	26,073	27,913	-1,840	-6.59%
Yabucoa Municipality	37,941	39,246	-1,305	-3.33%
Yauco Municipality	42,043	46,384	-4,341	-9.36%

Source: U.S. Census Bureau, 2010 Census.

Figure 14

Population By Municipalities (Percent Change Census 2000 to 2010)



Source: U.S. Census Bureau, 2010 Census.

NOTES

1. Parts of the Economic Overview and Economic Development Program were extracted from the 2011 Financial Information and Operating Data Report on the Puerto Rico Government Development Bank (www.bgfpr.com).

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