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A sobering reminder of economic reality

The U.S. Census Bureau recently released data from the 2006 Puerto Rico Community Survey. This survey is the local equivalent of the American Community Survey that is carried out annually to update demographic, economic, housing, and social data at the state and county level in the United States.

The findings with respect to Puerto Rico's income levels and poverty rates are a sobering reminder of our grim economic reality. At a time when our politicians and government officials amuse themselves with issues that have little or no relevance for the daily life of Puerto Ricans, they would do well to read the results of the PRCS, analyze its principal findings, and realize that the economy is not only the No. 1 issue this election year, it is, for many hard-working families in Puerto Rico, the one and only issue.

According to the PRCS, the median annual family income in Puerto Rico for 2006 was \$20,425, while in the mainland United States it was \$58,526. To put this number in perspective it is important to understand that the average family in Puerto Rico had 3.63 persons and that in 2006 the poverty threshold for a family of four, consisting of two adults and two children under 18 years of age, was \$20,444. Therefore, the median Puerto Rican family in terms of income, the family right at the center of the island's income distribution, did not earn enough in 2006 to reach even the applicable federal poverty threshold. Indeed, some 251,257 Puerto Rican families, 26.7 percent of the total, roughly 1 in 4, earned income of \$10,000 or less during 2006. In the United States only 4.8 per cent of all families, approximately 1 in 20, earned that amount.

Given these income statistics, it should not be surprising that



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the PRCS found that 45.4 percent of all island residents, 56.3 percent of all our children under 18 years of age, and 43.6 percent of all people 65 years or older, lived in poverty in 2006.

For female heads of household the picture is even worse; an astonishing 60 percent of such households, three out of every five, were poor in 2006. Yes, three out of five. The next time you hear someone make a patently absurd statement such as "there is no poverty in Puerto Rico" or "we were poor 50 years ago but not now," please remind him that one out of every two children and three out of every five single mothers in Puerto Rico live under the poverty line today. Better yet, ask him to live on an income of \$20,425 for a year.

For me, the main lesson to be drawn from these statistics is clear. We simply cannot afford to keep on doing what we have been doing in terms of economic policy during the past 50 years. We cannot keep in place the same failed, hackneyed and worn-out economic policies and expect them to yield different results. Right now our economy is in the second year of a recession, the official unemployment rate is 11.5 percent and accord-

ing to the government inflation is running at 7.7 percent per year; while 55 percent of the population over 16 is outside the labor force and close to half of the entire population lives in poverty.

Anywhere else this set of statistics would have been enough to prompt calls for radical changes in economic policy, or at least to generate street protests. In Puerto Rico, they only seem to generate trite calls for more of the same: higher taxes, increased regulation, and more government intervention in the economy.

As we get closer to the elections, it is incumbent upon all of us to demand that each of our candidates for governor delineate clear, specific policies to jumpstart economic growth, increase employment and income, create wealth, and reduce poverty and unemployment. Vacuous government propaganda, empty one-line slogans, campaign platitudes drafted by high-priced publicists and foolish cheerleading by the private sector will not do.

We need to know, now, what policies a new administration will put in place to (1) raise the employment rate of adult Puerto Ricans; (2) promote a more dynamic private sector that would create additional job opportunities; (3) improve the skills of the Puerto Rican workforce; (4) invest greater resources in our economic infrastructure; and (5) reform government operations with a more efficient tax system and targeted expenditure programs.

The 1,783,210 Puerto Ricans who live in poverty deserve to know this. They are waiting for the answers.

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