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IMPACT REPORT

JANUARY FEBRUARY MARCH APRIL MAY JUNE  
JULY AUGUST SEPTEMBER OCTOBER NOVEMBER DECEMBER





THE **CENTER** FOR A NEW ECONOMY



**is an independent non-partisan think-tank**

**that advocates for the development of a new economy**

**for Puerto Rico**

Founded in 1998, **CNE** produces rigorous public policy research and analysis, and is one of the most credible and influential voices on Puerto Rico's economy.

**CNE** is organized as a 501(c)(3) non-profit entity that does not and has never solicited nor accepted government funding. It relies solely on funding by individuals, private institutions and philanthropic foundations.



# A YEAR OF 2 cities



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was an extraordinary year for **CNE** in every sense of the word. The theater of operations for much of our work suddenly shifted to Washington DC while our central hub and operational backbone remained in San Juan. So began our year of two cities.

2016 provided both a rude awakening and an exceptional opportunity to address Puerto Rico's long-standing economic and institutional frailties. Although for almost a decade **CNE** had alerted about the structural problems faced by the Puerto Rico economy, few could have foreseen the depth of the crisis and the complexity of the crash.

**CNE** volunteered itself at the forefront of these efforts by assuming a new and more vigorous role in Washington DC. In an era of shallow analysis and short-term responses, we doubled-down on our role as Puerto Rico's champions of the long-term deep perspective and unhurried thoughtful response. We generated Puerto Rico-centered knowledge in San Juan and used it to foster vigorous discussion about the island's predicament in Washington DC. **CNE** became a vocal advocate for the creation of mechanisms that would facilitate a resolution of Puerto Rico's debt crisis; for the enactment of locally-adopted fiscal responsibility laws; and for the creation of a comprehensive long-term economic development plan for the island.



By: Miguel A. Soto-Class, President & Founder, **CNE<sup>+</sup>**



**Crises are known not only for why and how they started and ended, but also for who stood up with courage to lead during the turbulent time.**

With the establishment of a **CNE** office in Washington DC, we expanded the geographical scope of our work. This demanded significant additional time, resources and creativity from our staff. By being not only a purveyor of rigorous and independent research and policy thinking, but by also undertaking the added responsibility of becoming a strong and compelling advocate for the island in Washington DC, in 2016 we gave new meaning to our role as a "think-tank plus" and attested to the depth of our commitment to Puerto Rico.

**CNE's** credibility was never given or assumed. It has been earned over 20 years of work and impact. This report provides testimony to the expanded sphere of influence of that credibility and impact. We hope it motivates you to continue journeying with us in our new bi-coastal endeavor. Now more than ever, Puerto Rico needs the best of all of us.

Mike

# A beachhead in DC

In 2016, CNE established a formal presence in Washington DC and orchestrated a vigorous thrust in favor of debt-restructuring mechanisms for Puerto Rico among high ranking officials at the White House, the US Treasury Department, the US Senate and the US House of Representatives.



BloombergBusiness

## Puerto Rico Fiscal Laws Better Than Federal Board, Group Says

Michael Sauter  
Investment Advisor at CNE

- Commonwealth is seeking to cut debt by 40% in bond exchange
- Think-tank report highlights local responsibility laws

Puerto Rico needs to enact a fiscal-responsibility law to improve the island's finances rather than operate under a federal control board, according to a San Juan think tank.

Such a law would curb spending by keeping expenditures below what the commonwealth can raise through its tax base, according to a report from the Center for a New Economy, a non-partisan, not-for-profit organization that provides research on the island's finances and economic development. This would allow the commonwealth to save — rather than spend — when its economy is growing and also avoid “drastic fiscal tightening” during economic contractions. Sergio Maruach, policy director at the CNE, wrote in the report.



- + Over 30 high-level meetings with Executive and Congressional Officers
- + Briefing for Congressional Committees
- + Development and submission of a Memo on Economic Growth to Bipartisan Congressional Task Force
- + Complementary DC-NY events on fiscal responsibility: “Is a Federal Fiscal Control Board the Only Option for Puerto Rico?”



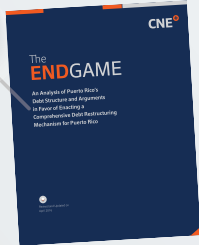
# RIGOROUS independent research

## Actionable programs

In 2016, we worked for you on Puerto Rico's key issues:



### Policy Papers:



- + The Endgame (Puerto Rico Debt Analysis)
- + Possible Consequences of a Default on Puerto Rico General Obligation Bonds
- + There Is Another Way: A Fiscal Responsibility Law for Puerto Rico
- + Devising a Growth Strategy for Puerto Rico
- + **CNE's Non-Negotiable Principles:** Congressional Action Regarding Puerto Rico



### Policy Memos:

- + Memo to the Bipartisan Congressional Task Force on Economic Growth in Puerto Rico
- + Memo from a Working Group of the CNE Growth Commission to the Congressional Task Force on Economic Growth in Puerto Rico
- + **Memo to Congress:** Debt Restructuring Mechanism for Puerto Rico Is Urgently Needed but must be Workable
- + Letter to the Fiscal Oversight Board On the Fiscal Plan

# A STRONGER voice

# larger AUDIENCES

# INCREASED influence

## Mainstream Media



Over \$1.5 million  
in earned media  
(Puerto Rico, US  
and international)

198 news articles  
authored by CNE or  
that cite or mention  
CNE as a source

## Digital media



**CNE Blog -**  
218,201 users  
583,548 page views



**Facebook -**  
7,329 followers



**Twitter -**  
4,980 followers

*By June 2017*

**Bloomberg  
Business**

Pravda.sk **AP**

**DAGENS  
NYHETER.**



**The New York Times**

**THE WALL STREET JOURNAL.**  
**The Washington Post**

**el Nuevo Herald**



# New academic **COLLABORATIONS** and distinctions

**Initiative for Policy Dialogue / Columbia University  
& Watson Institute / Brown University** -> a series of stakeholder dialogues and academic inquiries about opportunities and constraints to economic growth

Jameel Poverty Action Lab of MIT (J-PAL) -> a grant to develop an incentives-based welfare-to-work program to be jointly developed with the Administration for Socioeconomic Development of the Family



**University of Pennsylvania Global Go to Think Tank Index**  
**Featured among the top think tanks of the world for fourth year in a row.**  
**2016 categories:**





# Growing a stellar **TEAM**

**CNE** breaks new ground by creating an Economic Analysis Unit. The Unit will develop data collection and management systems and endow **CNE** with the capacity to generate prescriptive analyses of the Puerto Rico economy.

## New full time recruitments for **CNE** faculty



University of Toronto scholar and tenured professor, Gustavo Bobonis, Ph.D. as **CNE** Chief Economist



Post doctoral fellow Watson Institute, Brown University  
Deepak Lamba- Nieves, Ph.D.  
Churchill G. Carey, Jr. Chair in Economic Development Research.



# Charting the future Focusing on growth

- ⊕ Parallel to advocacy efforts in the mainland in favor of debt resolution mechanisms, **CNE** embraced the need to foster economic growth as an urgent research, policy and priority
- ⊕ Devising a **Growth Strategy for Puerto Rico** – policy paper jointly authored with Columbia University's Initiative for Policy Dialogue
- ⊕ **Roundtable for a New Economy** – a series of dialogues led by Brown University's Watson Institute professors with Puerto Rico entrepreneurs, public officials and civic leaders
- ⊕ Memo to the **Bipartisan Congressional Task Force on Economic Growth in Puerto Rico** - recommendations to Congress highlighting the need to focus on growth

## Looking Ahead towards 2017

### **CNE** **Growth** Commission

An impressive group of 17 academic and business leaders from Puerto Rico and abroad accepted **CNE's** invitation to re-think the economy of Puerto Rico and chart a long-term growth agenda. The Commission's Working Agenda was launched in an impressive two – day Conference.



# 2 DAYS 7 EVENTS

## 1 OBJECTIVE:

# #GROWTH FIRST

CNE+  
**Growth**  
Commission



Puerto Rico entrepreneurs and business leaders discussed with Steven Davis, of the Massachusetts Institute of Technology, how free markets can help Puerto Rico create a healthier economic climate.



The CNE Growth Commission for Puerto Rico convened for the first time in San Juan and began to craft an agenda focused on helping the island devise economic development opportunities and strengthen execution capabilities.

A variegated audience of over one thousand people gathered at the San Juan Symphony Hall to listen to Nobel Prize winner Joseph Stiglitz' words of caution about austerity.



**#GrowthFirst #PRCrece #PRGrowth #CNEGrowth**

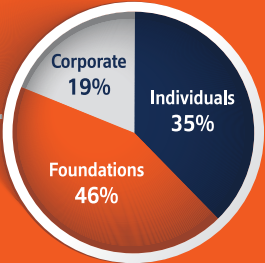




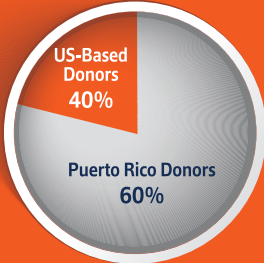
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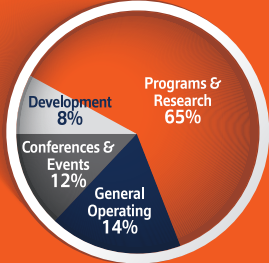
# FINANCIAL CHARTS



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TYPE OF DONORS



EXPENSES

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