



Decoding Complexity.
Driving Decisions.

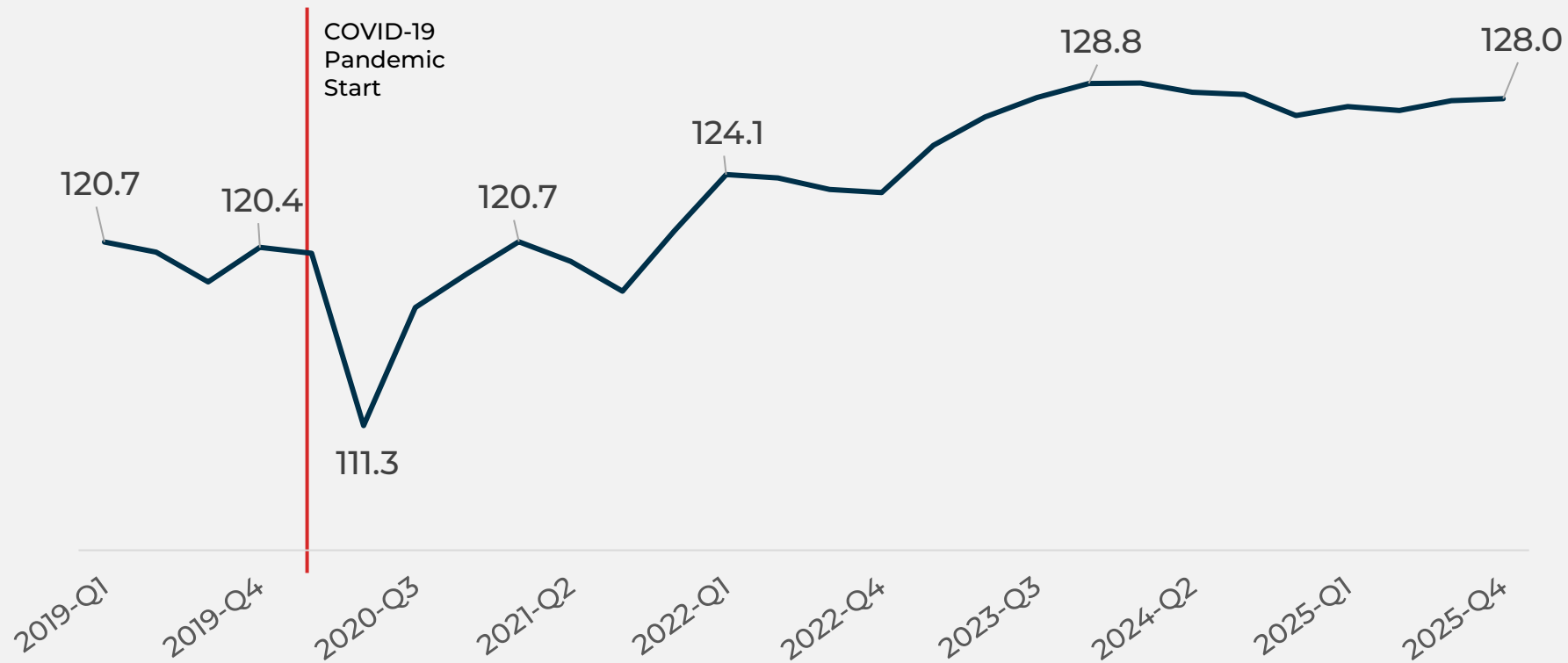
An Overview of SPREDD's Economy

Comprehensive Economic Development Strategy for 2026-2031

Puerto Rico Economic Overview

Puerto Rico Economic Activity Index

PREDB Economic Activity Index (2019 Q1 to 2025 Q3)



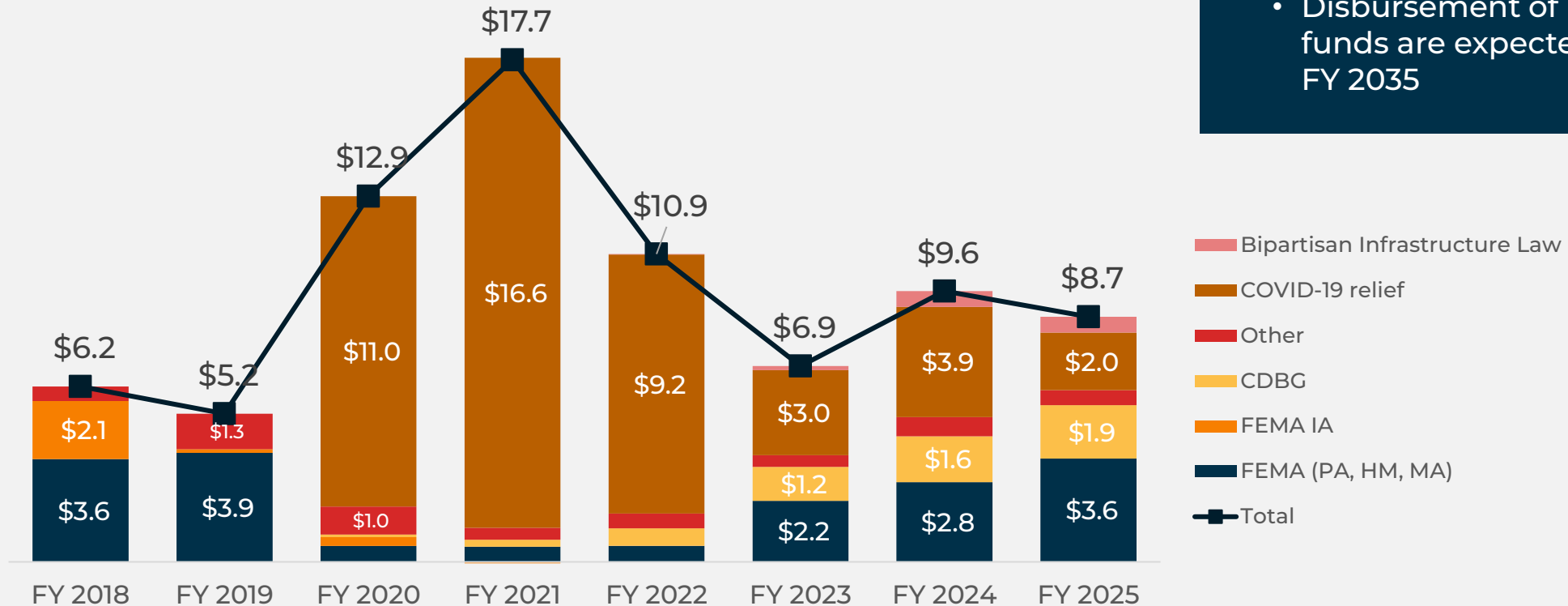
Source: Puerto Rico Department of Economic Development & Commerce

- Economic activity increased at a steady pace between 2021 and 2023
- Growth has stabilized since late 2023, mostly due to the expiration of federal stimulus funds
- Overall, economic activity is ~6.2% higher than before the COVID-19 pandemic

Federal Funds Disbursed

- More than \$40 billion in COVID-19 relief funds were disbursed between FY 2020 and FY 2024, resulting in a large fiscal stimulus to the local economy
- Disbursement of FEMA disaster relief funds are expected to continue up to FY 2035

Federal Funds Disbursed by Type of Fund (In billions, FY 2018 – FY 2025)



Source: FOMB Commonwealth Fiscal Plan 2025

Puerto Rico Unemployment Rate

Unemployment Rate in Puerto Rico (1977 to 2025)

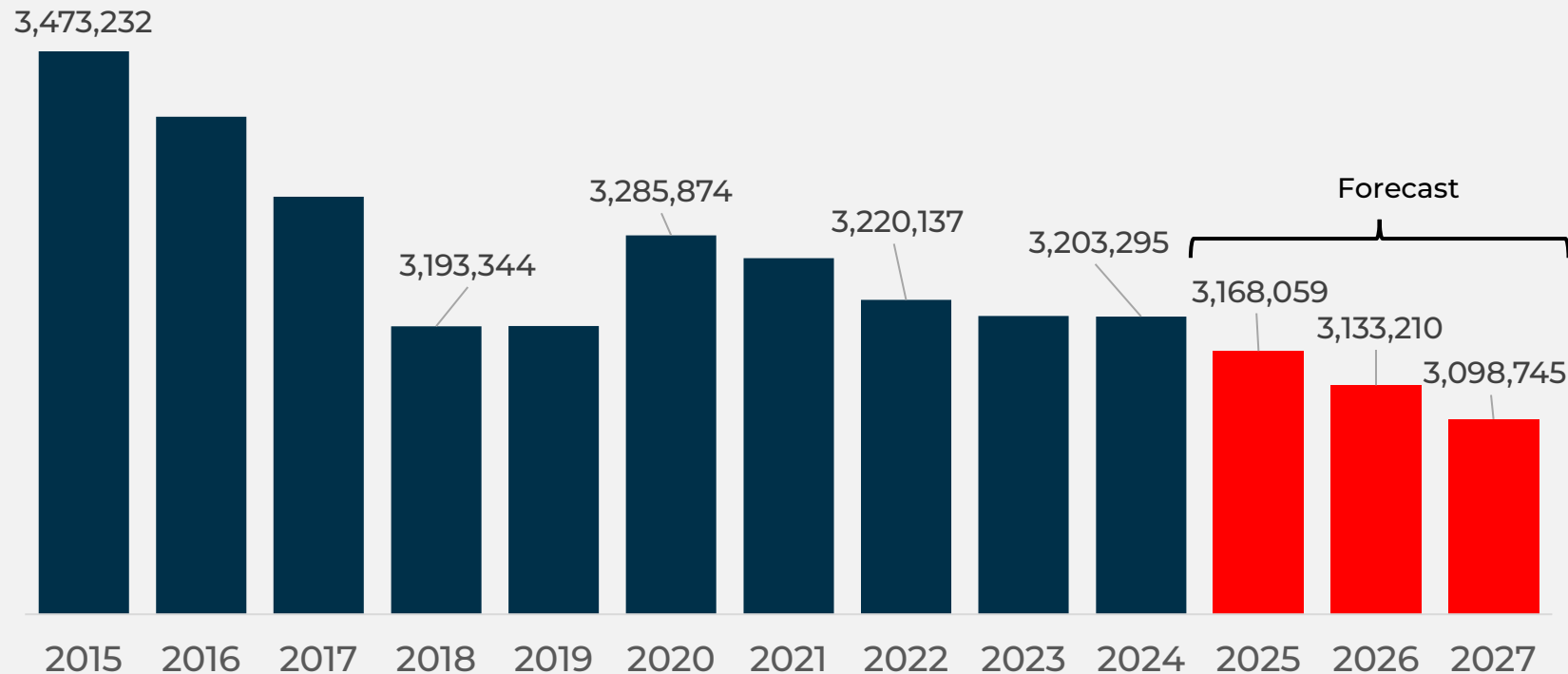


Source: Local Area Unemployment Statistics, US Bureau of Labor Statistics

Unemployment remained at historical lows in 2025

Puerto Rico Total Population

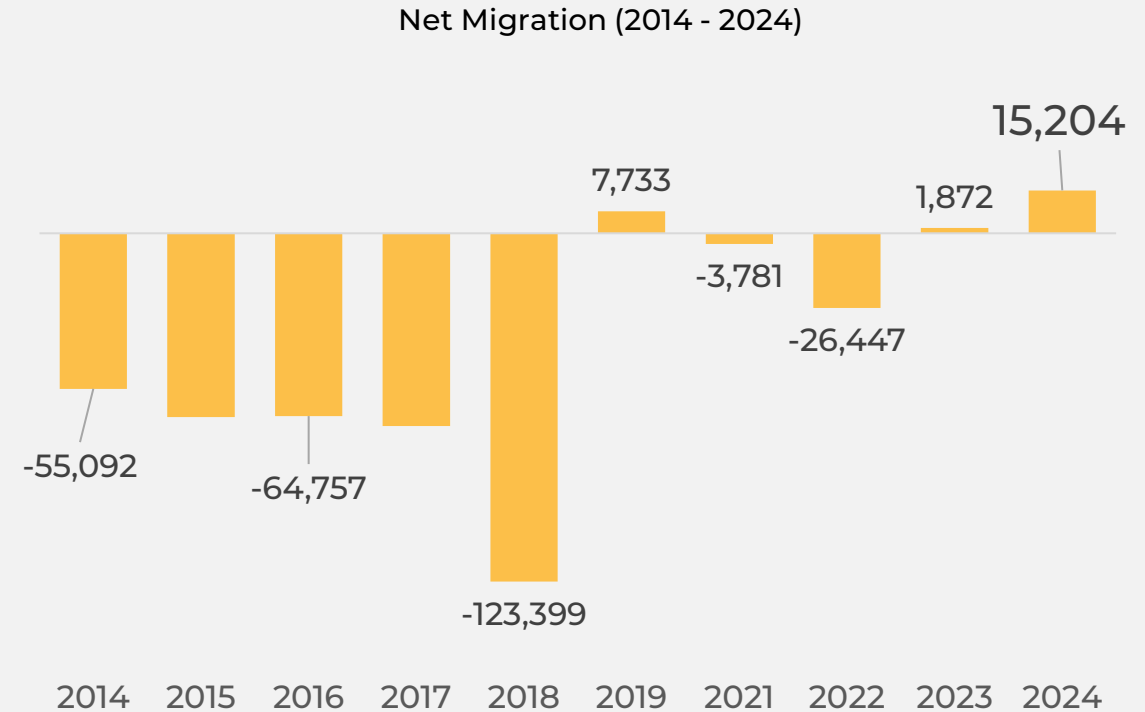
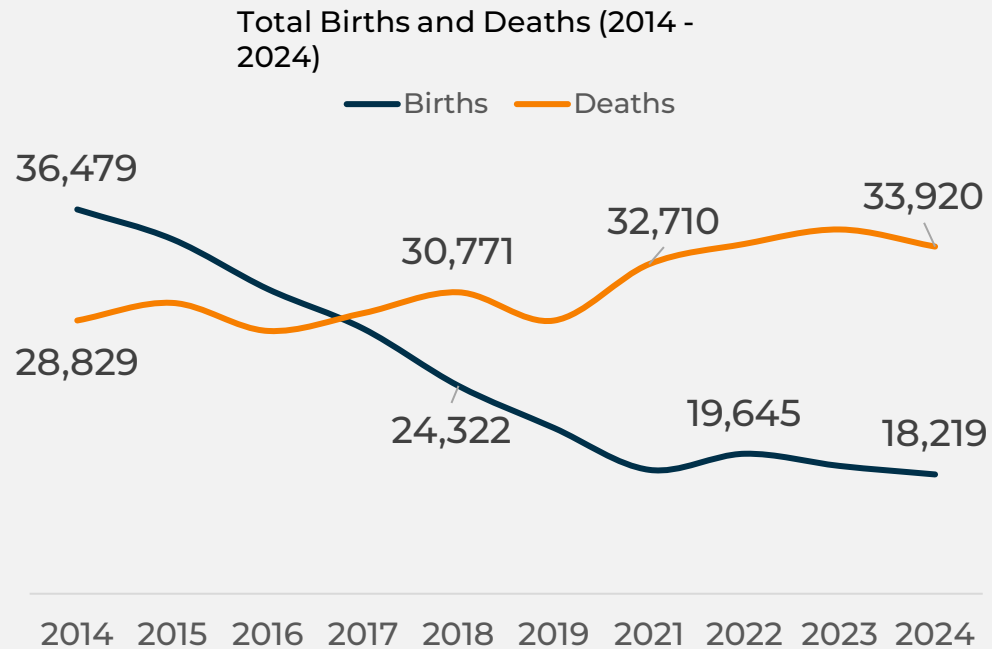
Total Population (2015 - 2024)



Source: Annual Estimates of the Resident Population, US Census Bureau

- Total population has declined by ~500,000 residents (7% decline) since 2010
- The decline has slowed since 2022 due to lower net migration
- The Census forecasts that the population will decline at a rate of 1.1% per year through 2028

Components of Population Change

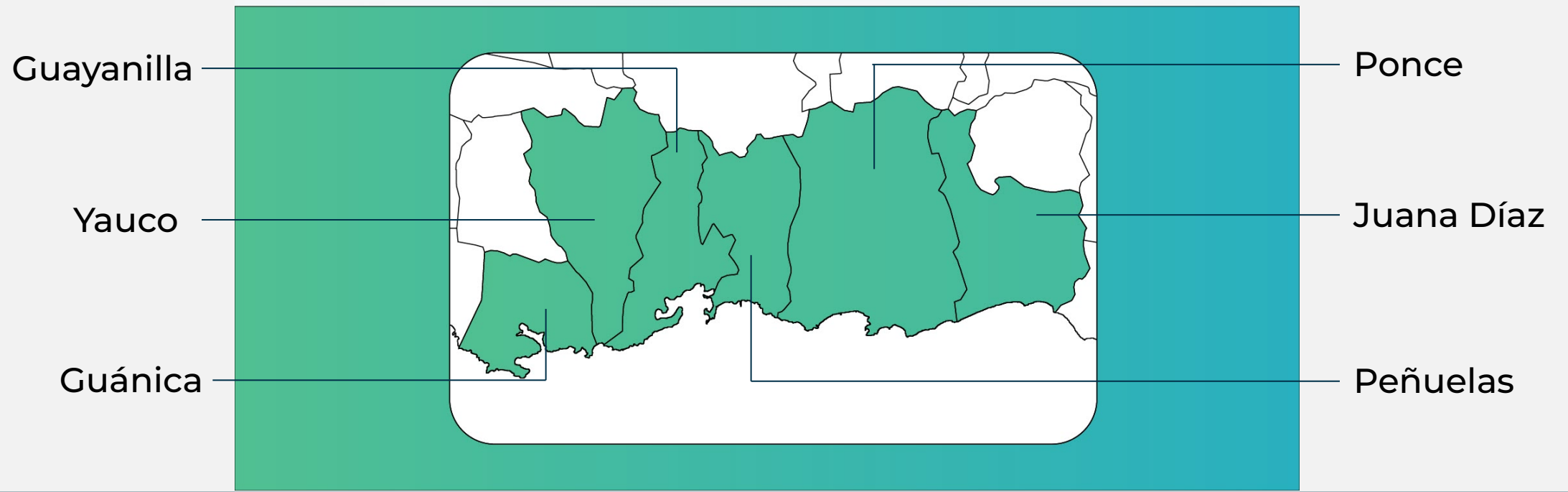


Source: Annual Estimates of the Resident Population, US Census Bureau

- Natural population growth has declined considerably due to lower birth rates, resulting in a significant aging of the population
- Net migration has stabilized due to lower out-migration
- A total of 382,084 residents have left the Island since 2014

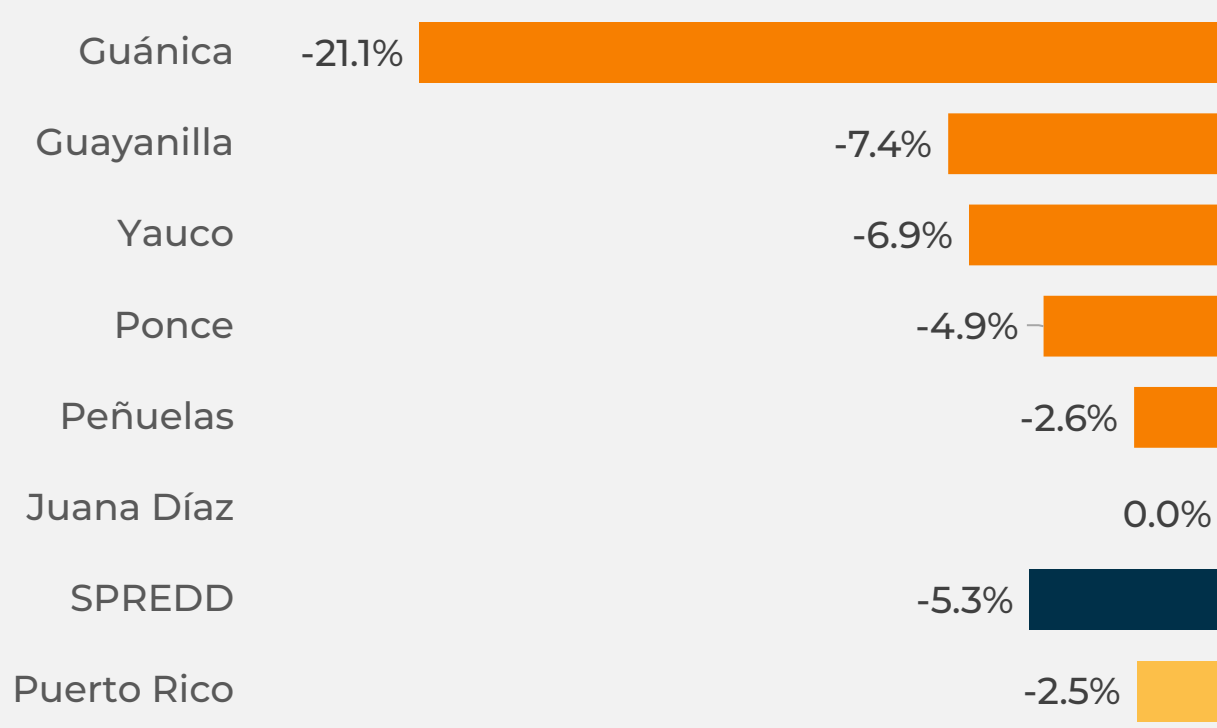
SPREDD Population Trends

SPREDD Municipality Composition



Population Change – SPREDD and Puerto Rico

Percentage Change in Total Population (2019-2024)



Source: American Community Survey 5-Year Estimates for 2024, US Census Bureau

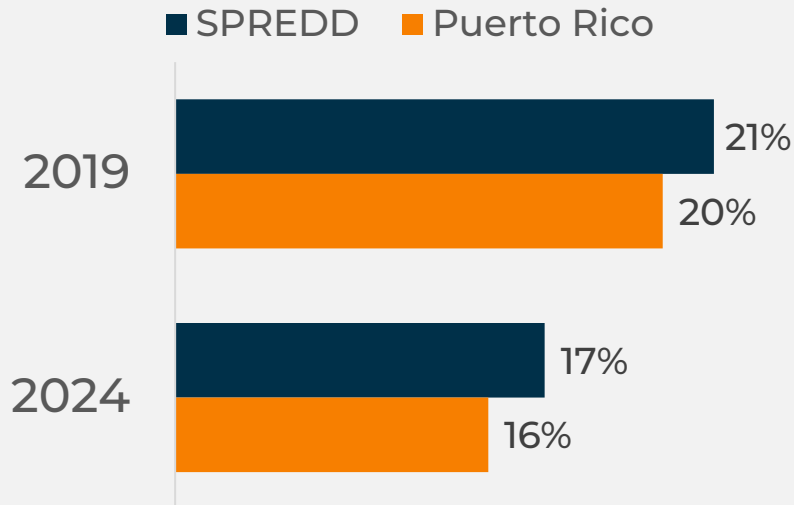
Total Population: 262,000

- 50% of the population concentrated in Ponce
- All SPREDD municipalities have experienced population loss since 2019, except Guayanilla
- SPREDD's population has declined at twice the rate of decline of Puerto Rico
- Guánica has experienced the largest population loss in Puerto Rico since 2019, losing 1 out of every 5 residents

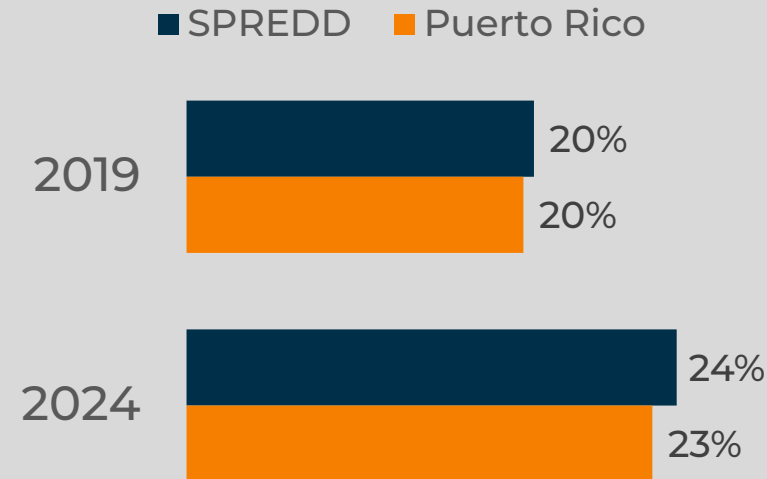
Population Aging – SPREDD and Puerto Rico

Percentage Change in Total Population (2019-2024)

18 Years of Younger



65 Years of Older

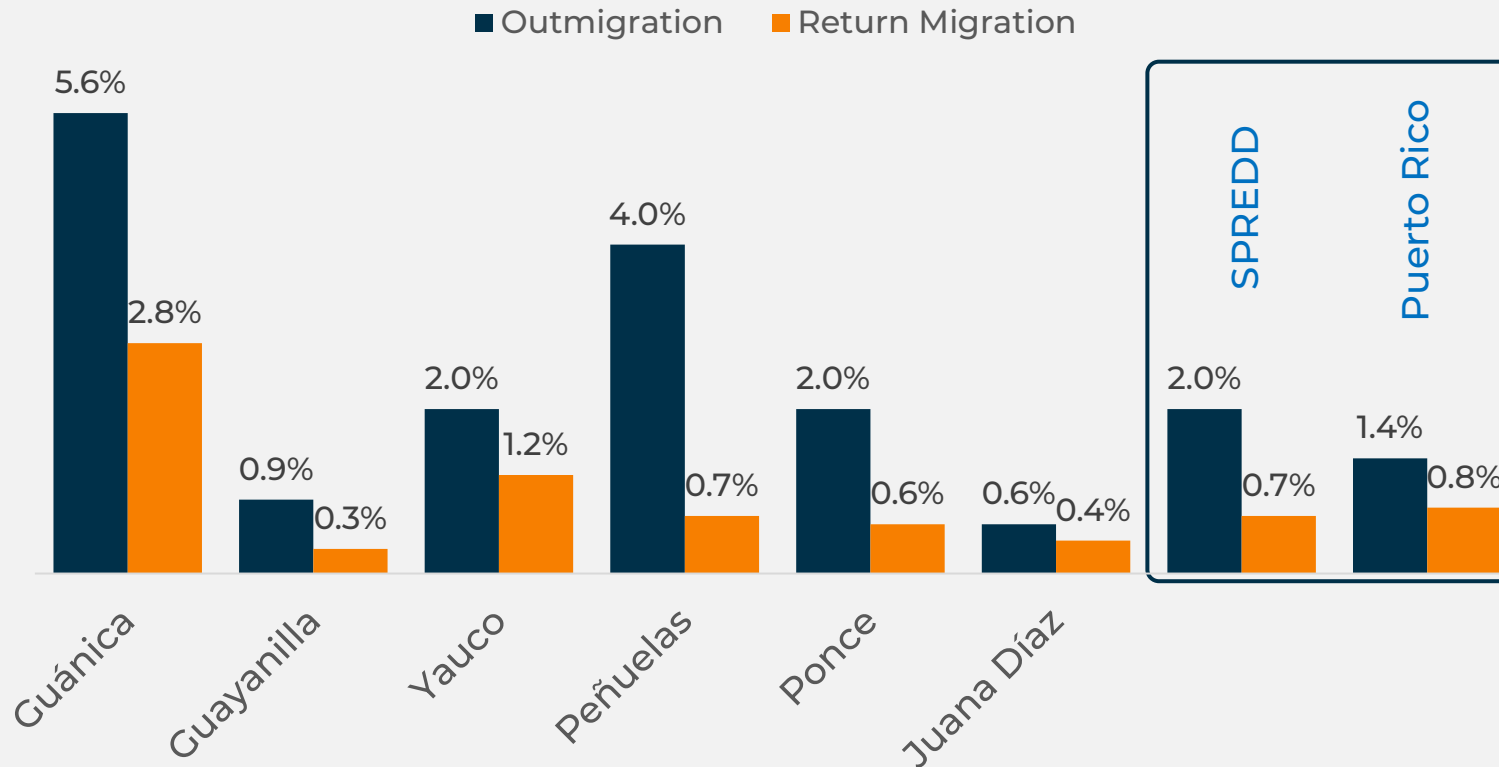


Source: American Community Survey 5-Year Estimates for 2024, US Census Bureau

- All SPREDD municipalities have experienced increases in the share of older residents
- This is coupled with decreases in the share of younger residents
- Almost 1 out of 4 residents were 65 years or older in SPREDD in 2024, compared to 1 out of 5 in 2019
- This points to an aging population trend and a higher old-age dependency ratio

Migration – SPREDD and Puerto Rico

Outmigration and Return Migration from the United States (2024)

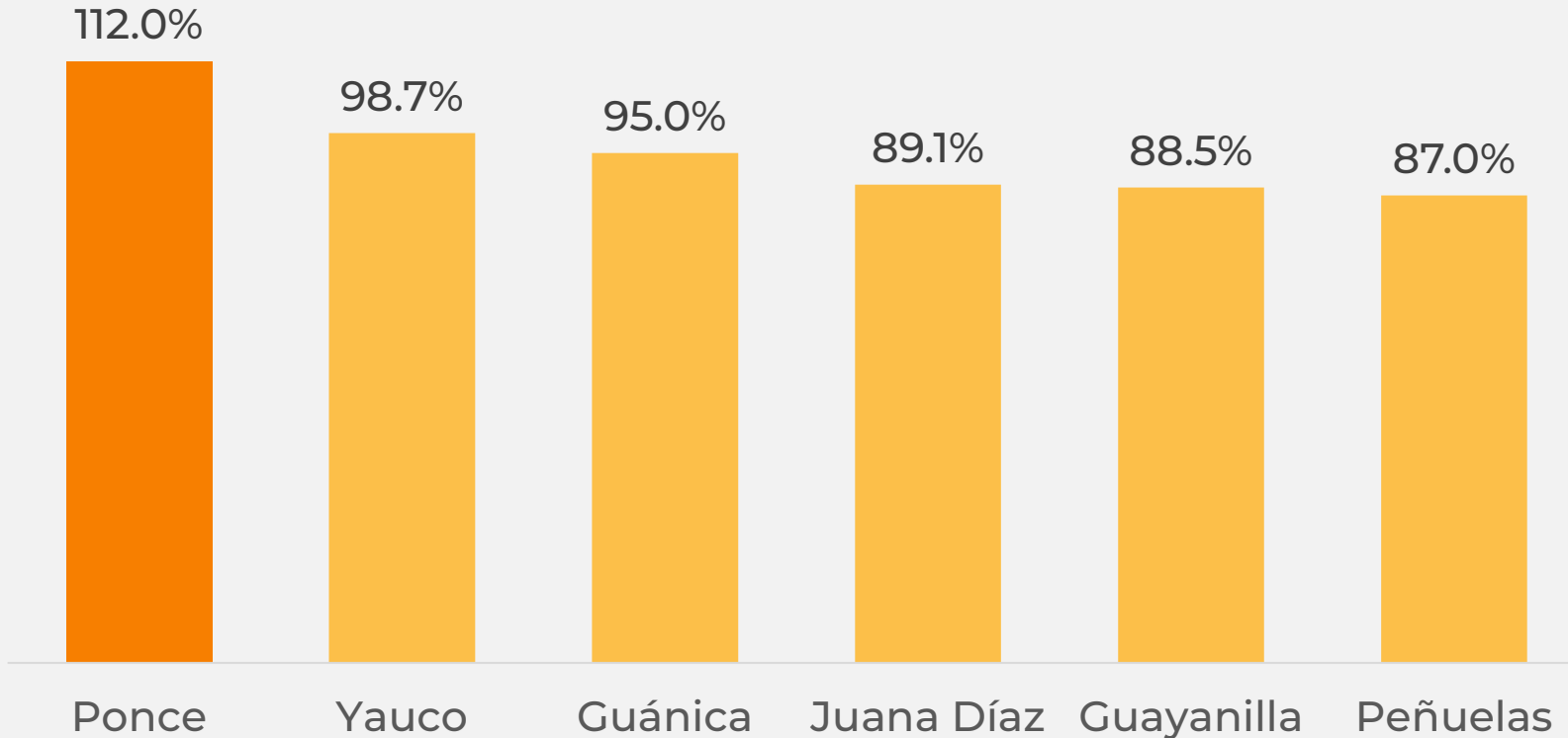


Source: American Community Survey 5-Year Estimates for 2024, US Census Bureau

- Across all SPREDD municipalities, outmigration rates are higher than return migration rates (to and from the US)
- The SPREDD region has higher outmigration than Puerto Rico, while return migration rates are similar
- Guánica has high outmigration and return migration, pointing to a large floating population
- The high return and outmigration in Guánica appear to be more recent trends; outmigration rate was 1.9% and return migration was 0.4% in 2019

Floating Population

Floating Population - Percentage of Total Population (2024)

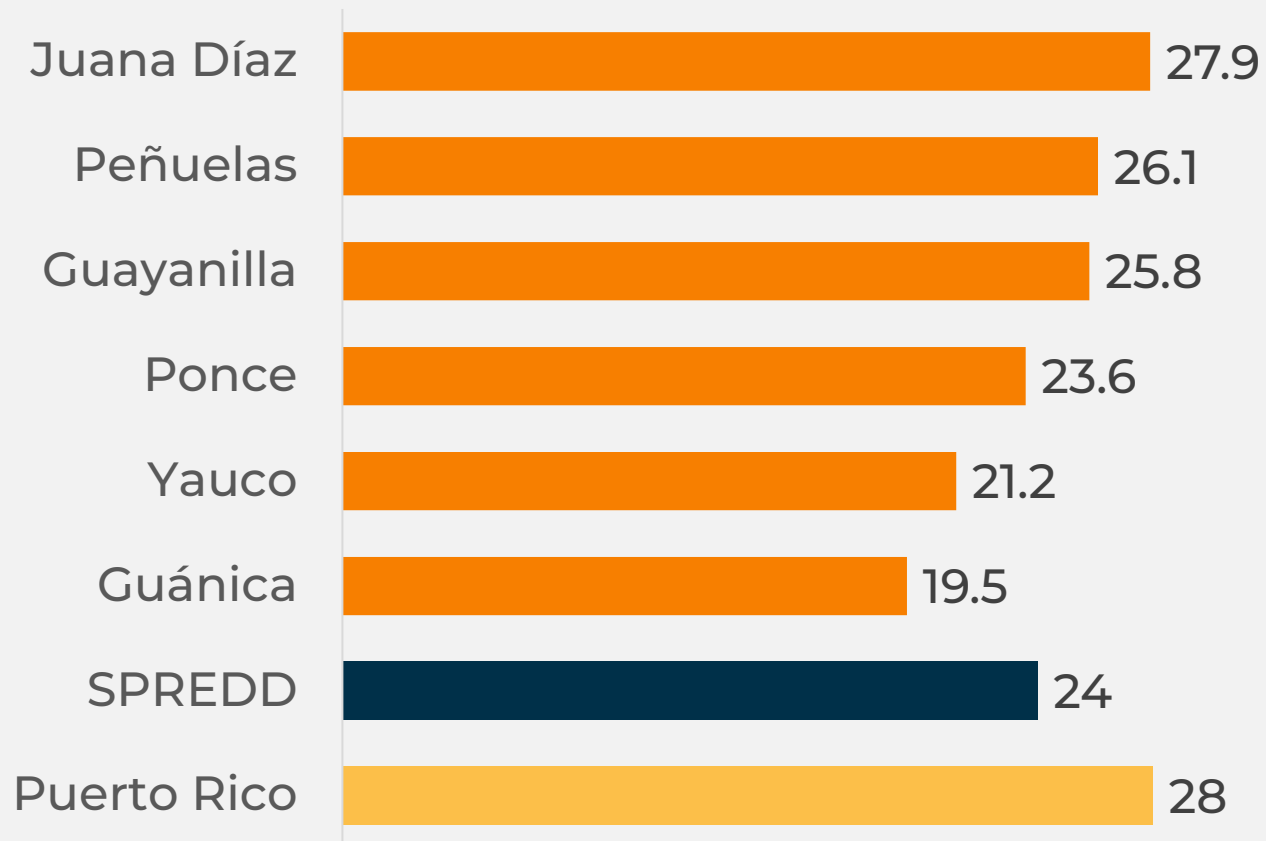


Source: American Community Survey 5-Year Estimates for 2024, US Census Bureau

- Ponce is the only SPREDD municipality where the floating population exceeds the total population
- This indicates that Ponce is a major employment center for many workers living in other municipalities

Commuting Time

Average Travel Time to Work (In Minutes, 2024)



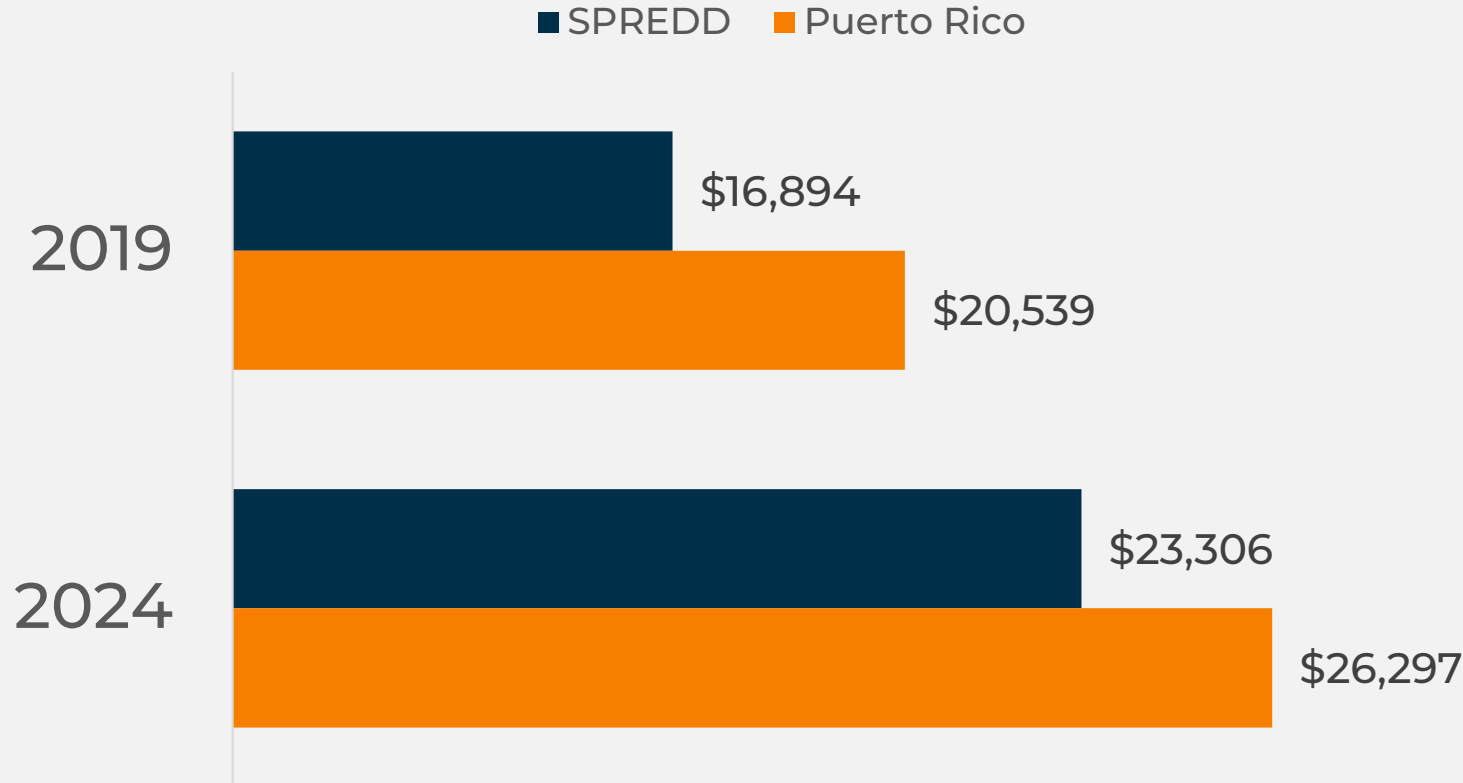
Source: American Community Survey 5-Year Estimates for 2024, US Census Bureau

- For SPREDD residents, commuting time to work is below the average for Puerto Rico
- Residents of Juana Díaz, Peñuelas and Guayanilla have higher than average commuting times compared to the SPREDD region, coinciding with their lower floating populations
- This indicates that residents of these towns work in other municipalities at higher rates

SPREDD Socioeconomic Trends

Household Incomes

Median Household Income (2019-2024)

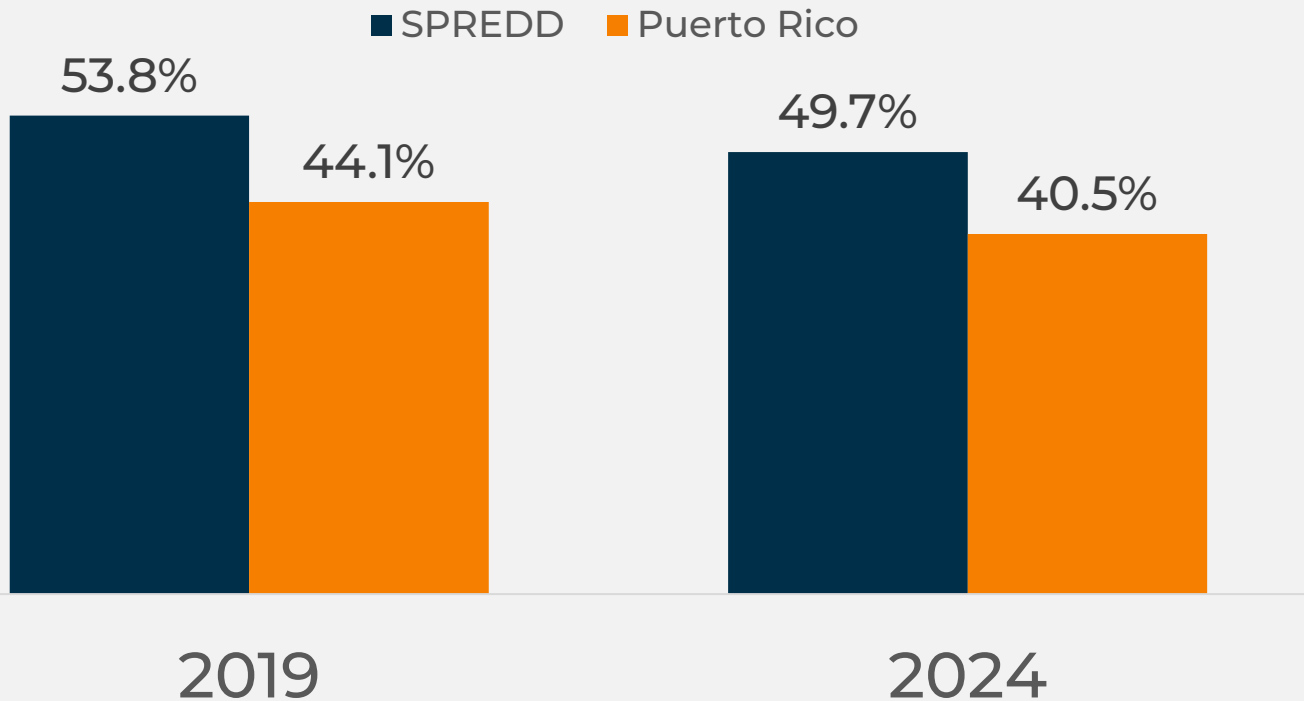


Source: American Community Survey 5-Year Estimates for 2024, US Census Bureau

- Median household incomes have increased by 38% in the SPREDD region, compared to a growth of 28% in Puerto Rico
- The higher growth in SPREDD median household income could be explained by the adjustments in the minimum wage since 2021, as incomes were closer to the minimum wage in SPREDD prior to these adjustments
- Median household incomes in Yauco have grown by 64%, faster than in all other SPREDD municipalities and Puerto Rico
- 4 out of 6 SPREDD municipalities have experienced higher growth in median incomes than Puerto Rico

Poverty – SPREDD and Puerto Rico

Percentage of Individuals Living Below the Federal Poverty Line (2019-2024)

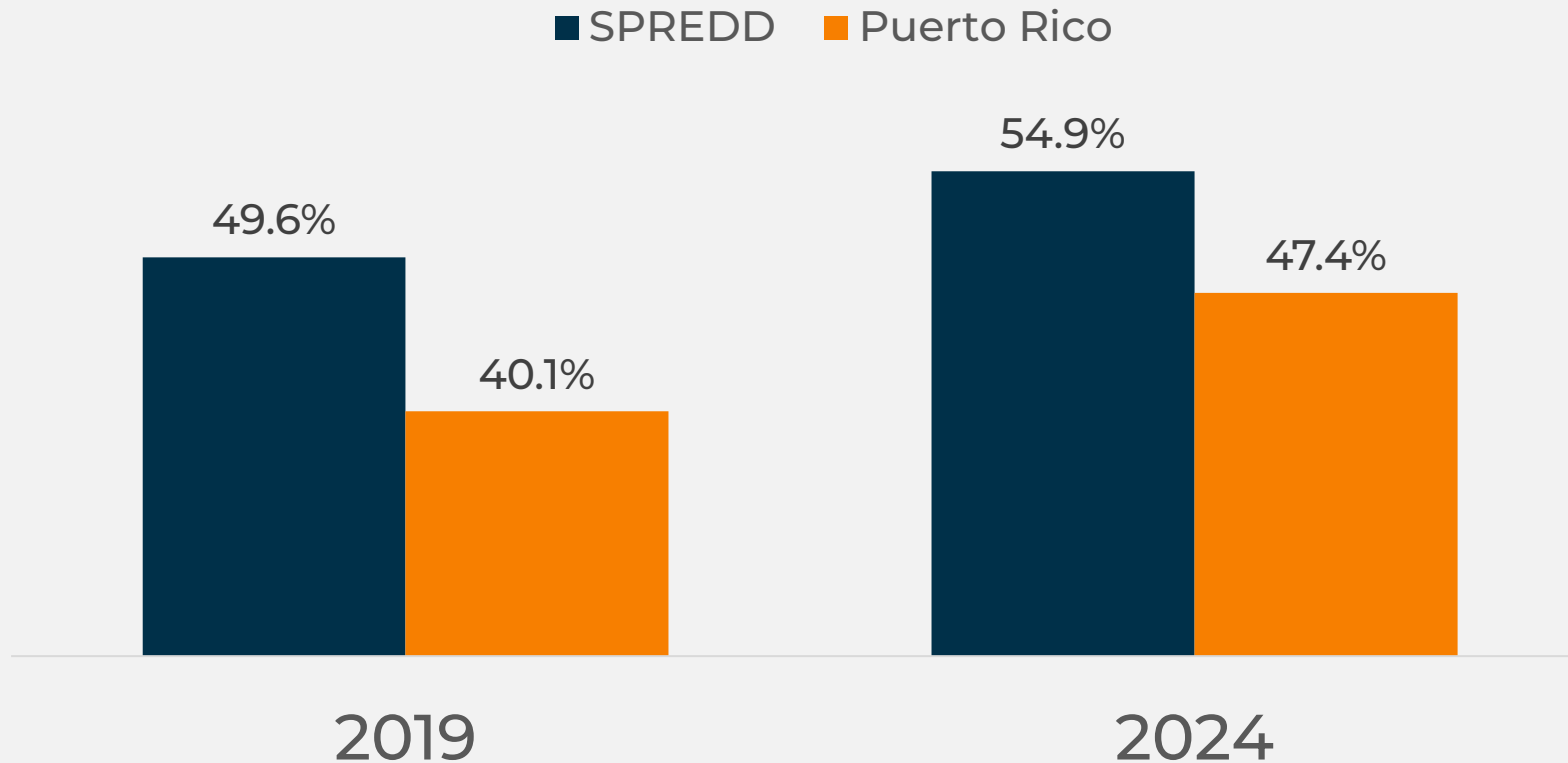


Source: American Community Survey 5-Year Estimates for 2024, US Census Bureau

- Poverty in SPREDD has declined by 4.1 percentage points since 2019, compared to a decline of 3.6 percentage points in Puerto Rico
- The poverty rate in SPREDD continues to be higher than Puerto Rico's poverty rate
- Guánica has the highest poverty rate among SPREDD municipalities, at 63.6%

Food Stamp Reliance – SPREDD and Puerto Rico

Percentage of Households with Food Stamp Assistance
(2019-2024)



- More than half of households in SPREDD relied on federal food assistance in 2024
- The increase in food stamp recipients is correlated with a decrease in individuals living below the poverty level

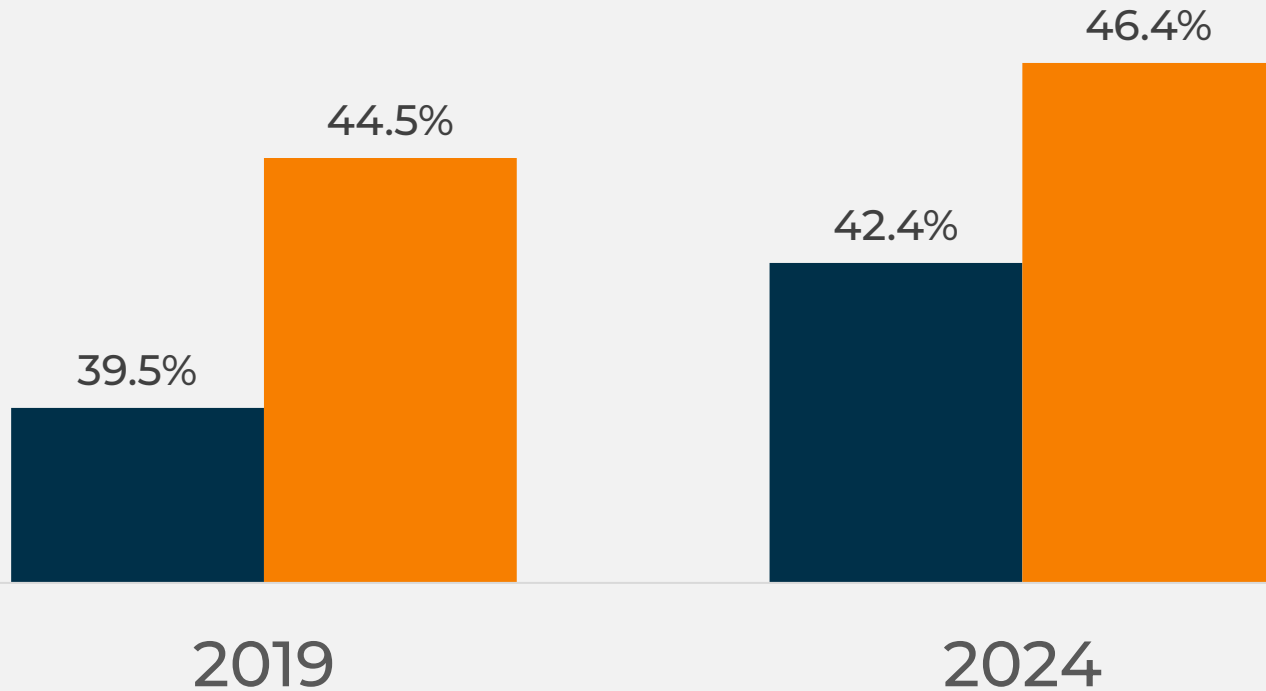
Source: American Community Survey 5-Year Estimates for 2024, US Census Bureau

SPREDD General Labor Market Trends

Labor Force Participation

Labor Force Participation Rate – SPREDD and Puerto Rico (2019-2024)

■ SPREDD ■ Puerto Rico

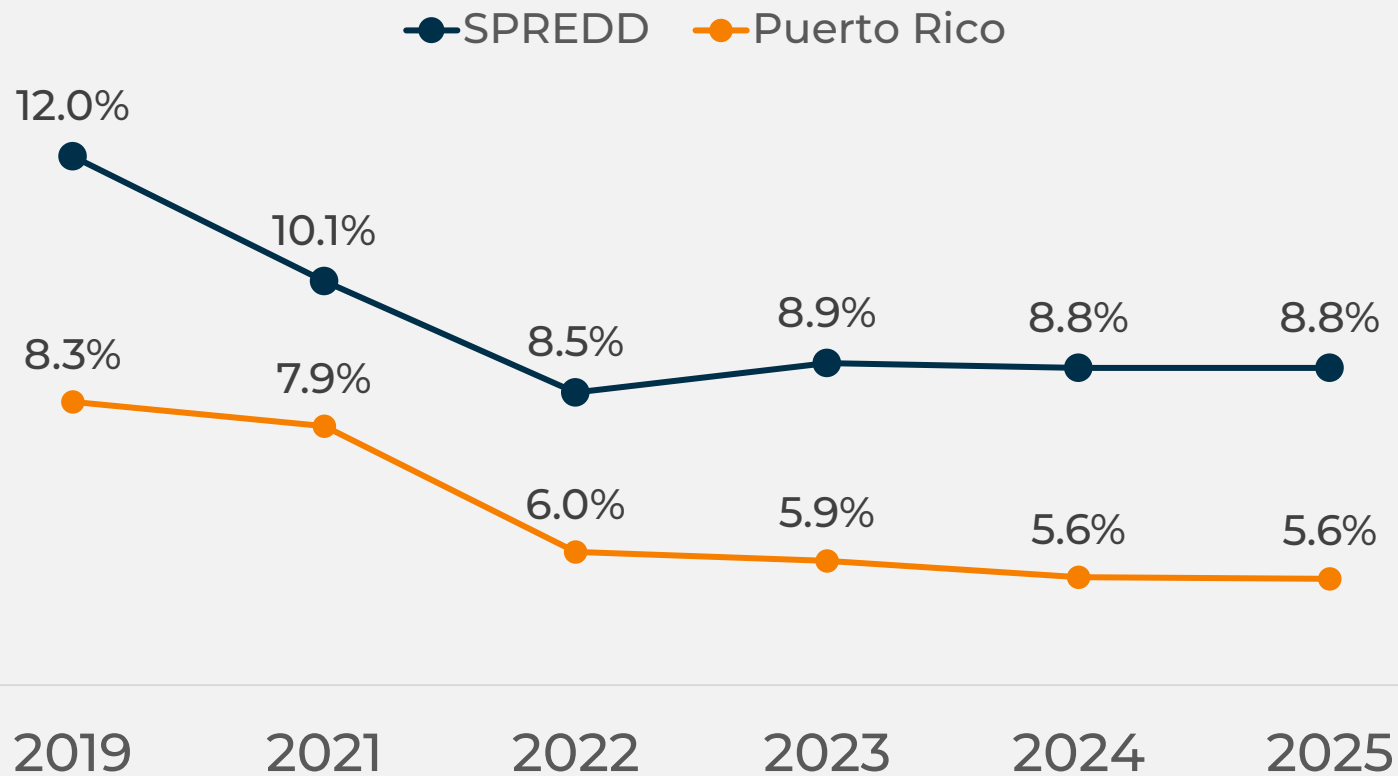


Source: American Community Survey 5-Year Estimates for 2024, US Census Bureau

- Labor force participation increased by 2.9 percentage points in SPREDD, compared to a 1.9 point increase in Puerto Rico
- Labor force participation continues to be lower in SPREDD, coinciding with a higher reliance on food assistance

Unemployment – SPREDD and Puerto Rico

Unemployment Rate – SPREDD and Puerto Rico (2019-2024)

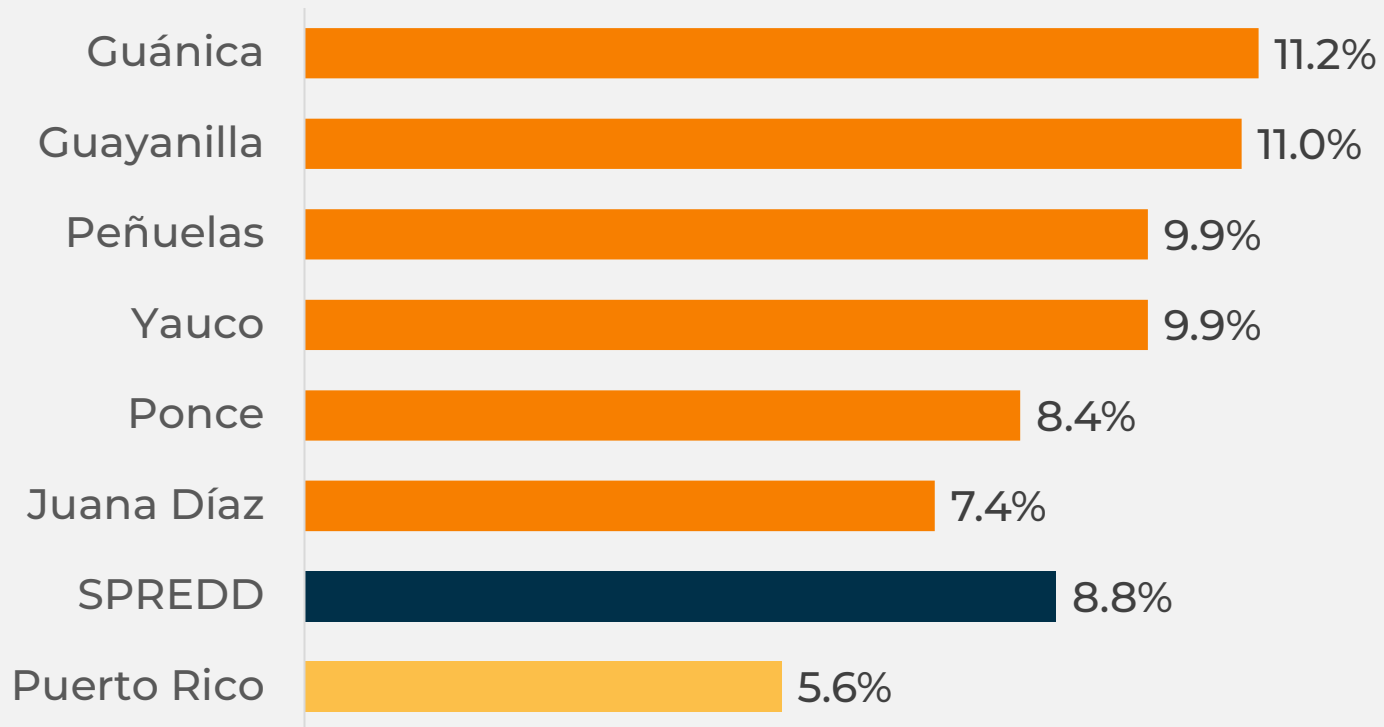


Source: Local Area Unemployment Statistics, US Census Bureau

- Unemployment in SPREDD declined from 2019 to 2022, but progress has since stalled
- Meanwhile, Puerto Rico unemployment continued declining after 2022

Unemployment by Municipality

Unemployment Rate by Municipality (2024)



Source: Local Area Unemployment Statistics, US Census Bureau

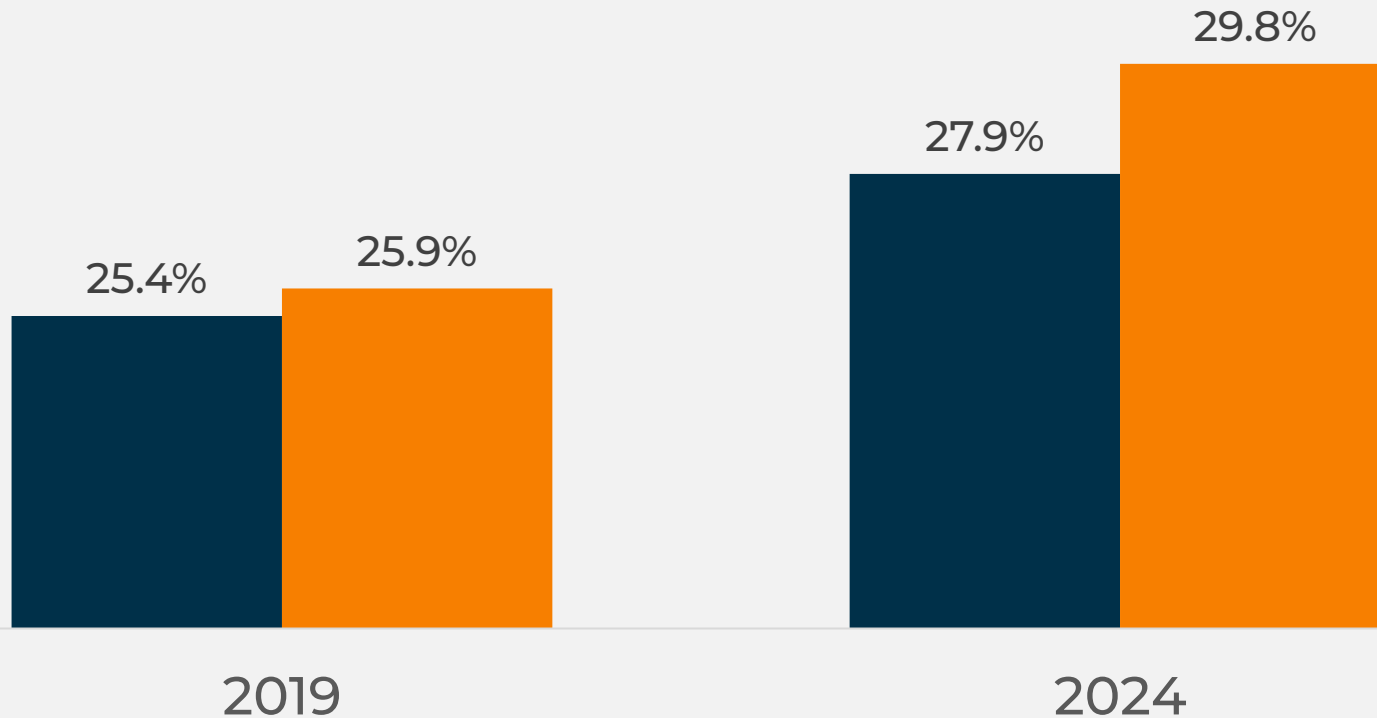
- Unemployment rates in all SPREDD municipalities surpassed Puerto Rico unemployment in 2024
- Guánica and Guayanilla had the 4th and 5th highest unemployment rates in Puerto Rico, respectively
- Unemployment in Guánica is projected to have increased to 16.2% in 2025, an indication of deteriorating activity in this municipality
- The high unemployment rate in Guánica and Guayanilla coincide with large decreases in their resident populations

SPREDD Workforce Characteristics

Educational Attainment

Percentage of the Population 25 Years and Over with a Bachelor's Degree or Higher (2019-2024)

■ SPREDD ■ Puerto Rico

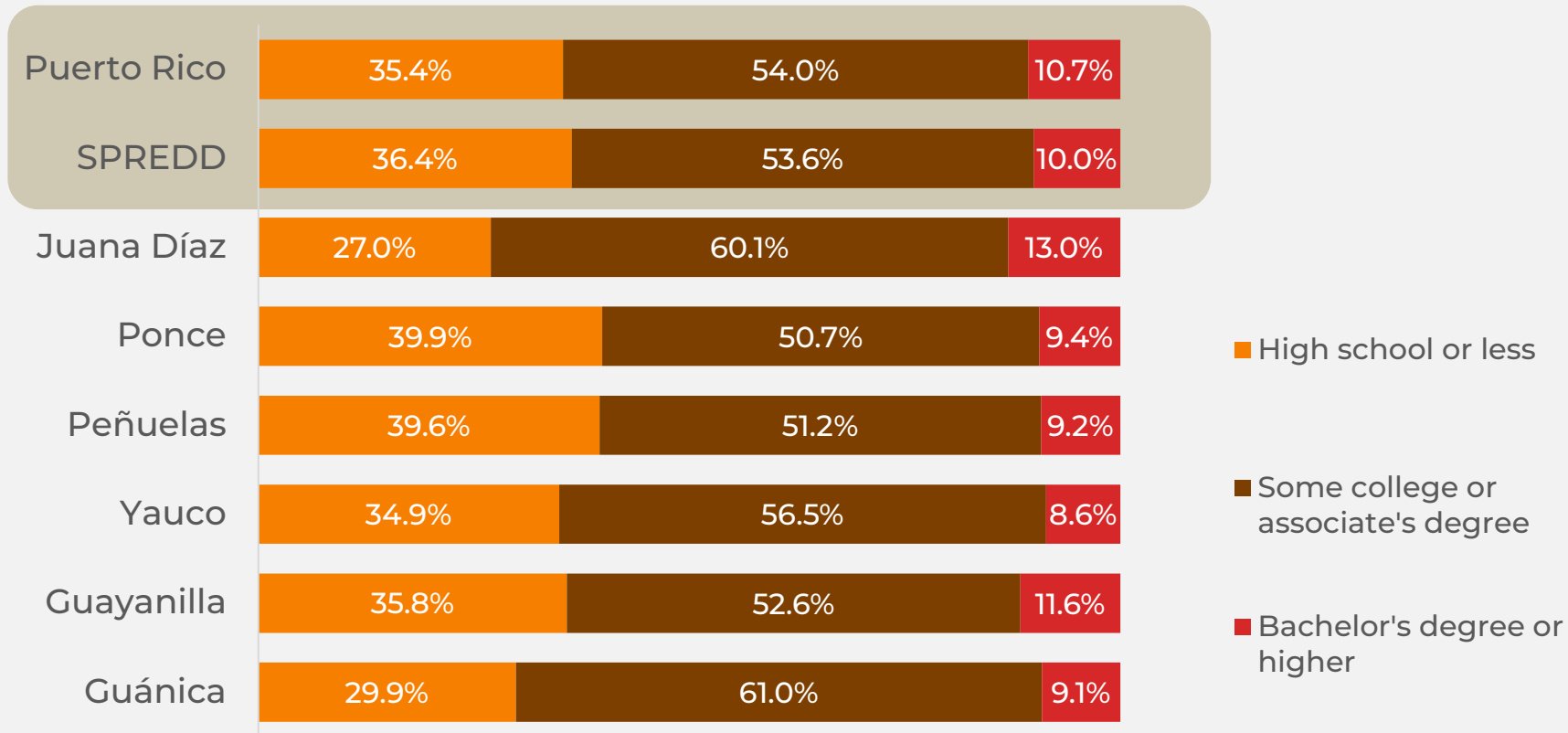


Source: American Community Survey 5-Year Estimates for 2024, US Census Bureau

- The gap in educational attainment between SPREDD and Puerto Rico has expanded since 2019
- The population with at least a bachelor's degree in Ponce is almost on par with that of Puerto Rico, at 29.6%
- The lower levels of educational attainment in the region are driven by Guánica, where just 15.8% of the population holds at least a bachelor's degree
- The low levels of education in Guánica coincide with a high unemployment rate and large population loss in this municipality

Youth Education by Municipality

Educational Attainment: Population 18 to 24 Years (2024)

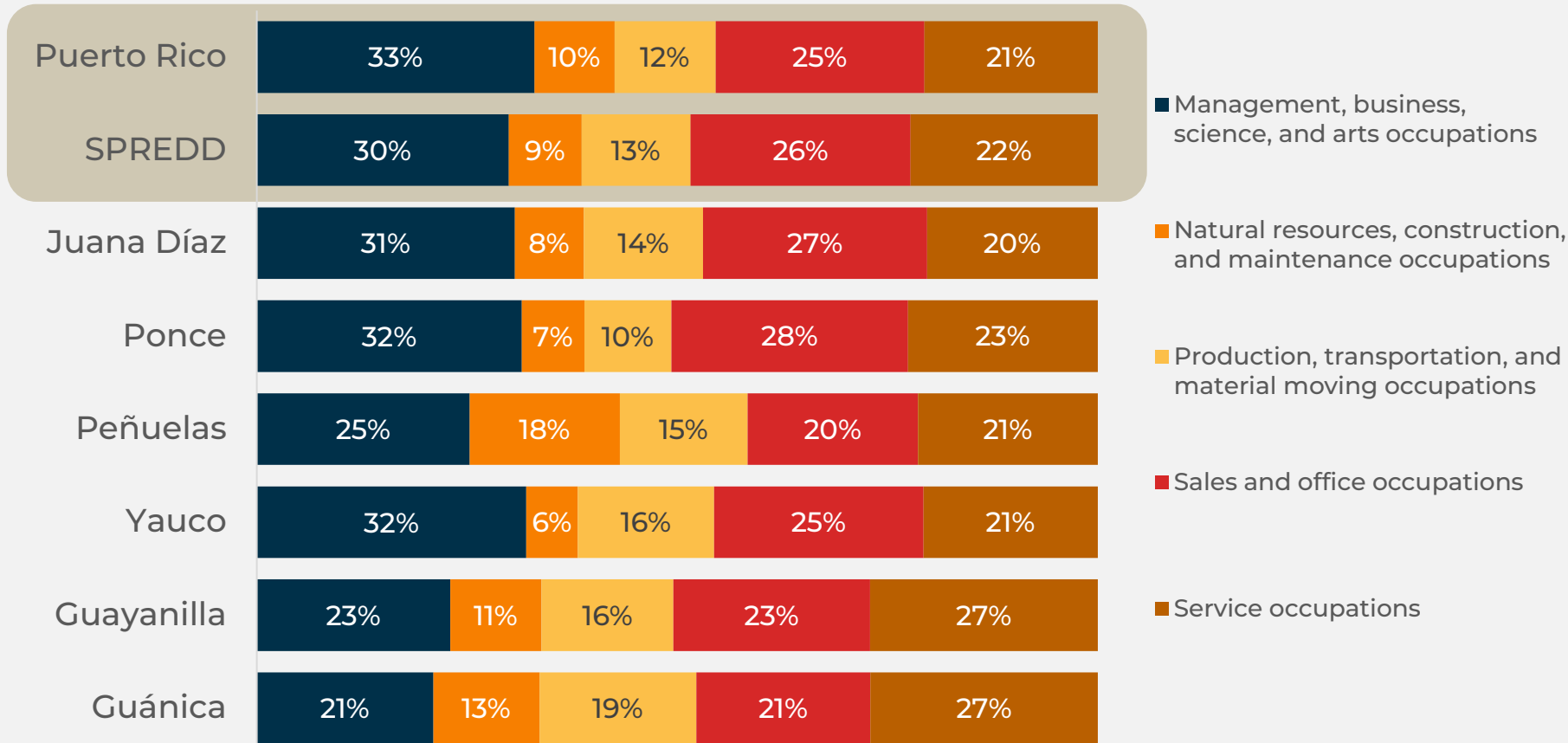


Source: American Community Survey 5-Year Estimates 2024

- Educational attainment of the younger population in SPREDD is in line with Puerto Rico levels; slightly below
- SPREDD has some pockets of highly educated youth: Juana Díaz and Guánica have higher concentrations of younger residents with some college education or at least a bachelor's degree relative to Puerto Rico

Employment by Occupation

Employment by Major Occupational Group (2024)



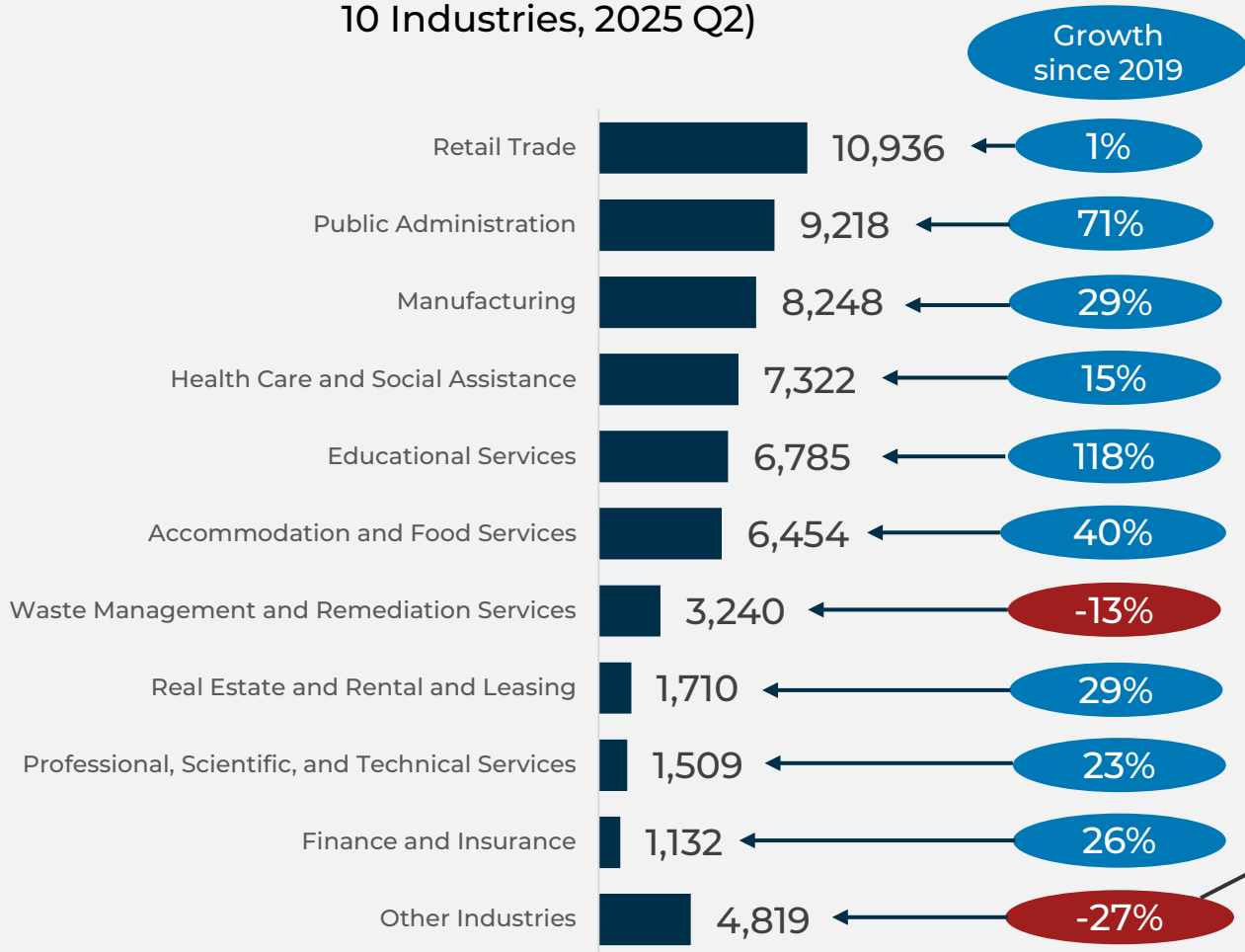
Source: American Community Survey 5-Year Estimates 2024

- The SPREDD workforce is less concentrated in occupations requiring higher education and technical skills when compared to Puerto Rico (management, business, science and arts)
- For the attraction of advanced manufacturing, the lower levels of education and employment in technical occupations can represent a hurdle
- The high concentration of workers in transportation and material moving in several municipalities can enable the growth of a robust logistics ecosystem

SPREDD Industry Activity Trends

Employment by Industry

Total Employment by Industry in SPREDD (Top 10 Industries, 2025 Q2)

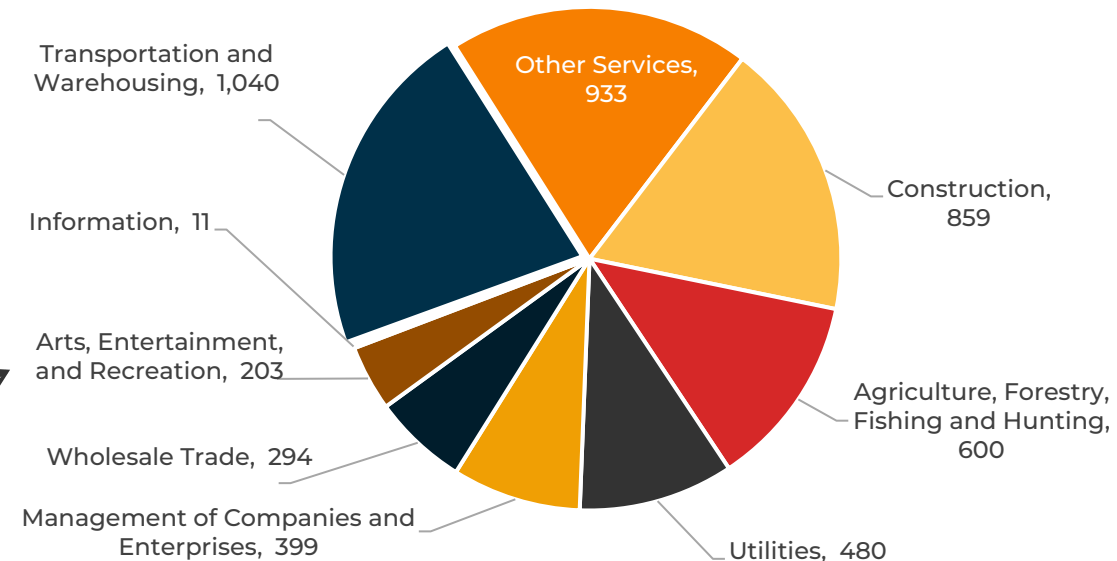


Source: Quarterly Census of Employment and Wages, US Census Bureau

Total Employment in SPREDD:

2019 Q1	50,544
2025 Q2	61,375

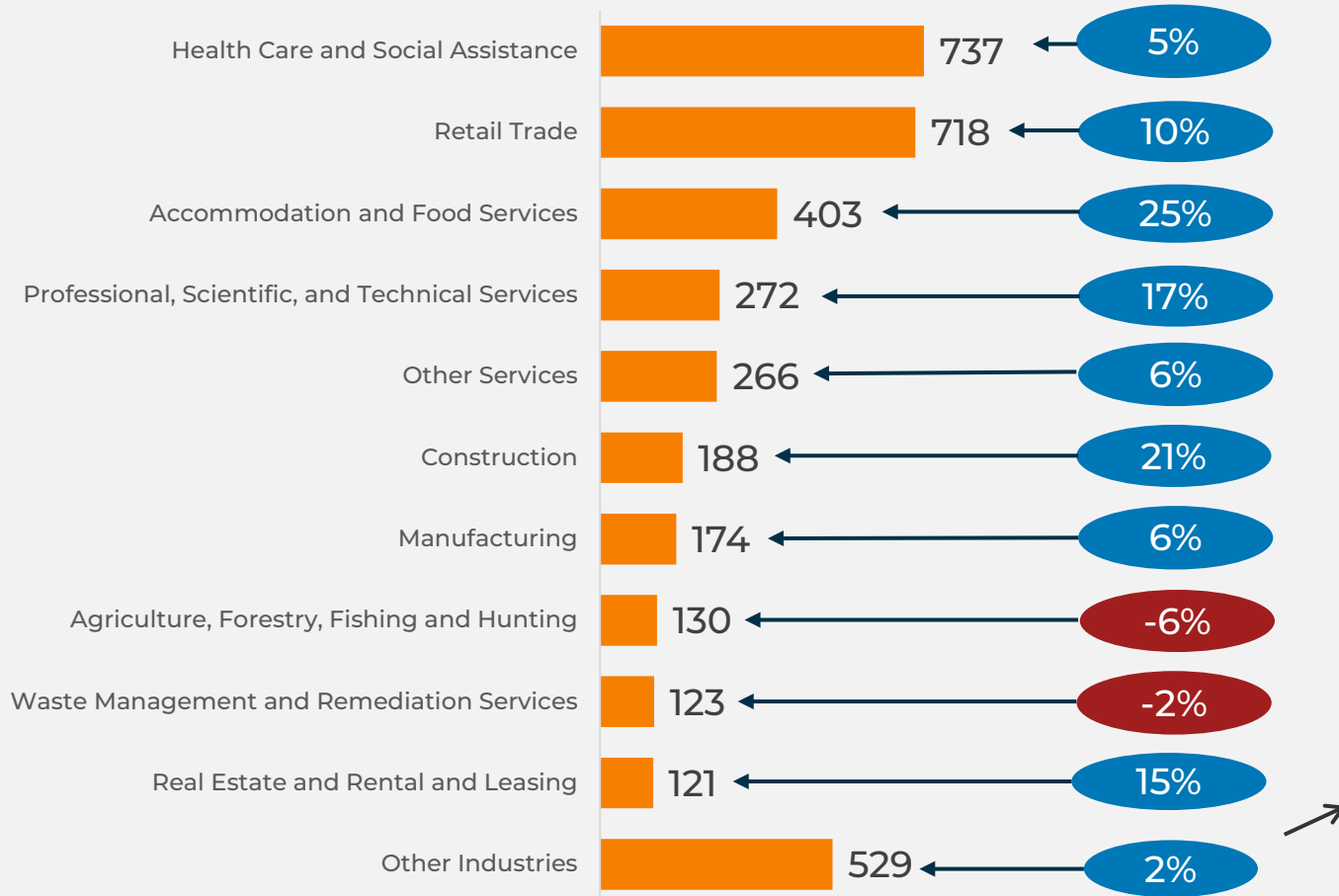
- Close to 70% of employment in SPREDD is concentrated in the top 5 industries
- Manufacturing accounts for 13% of employment in SPREDD vs 8% in Puerto Rico
- Growth since 2019 has been driven mainly by educational services and public administration



Establishments by Industry

Total Establishments by Industry in SPREDD (Top 10 Industries, 2025 Q2)

Growth since 2019

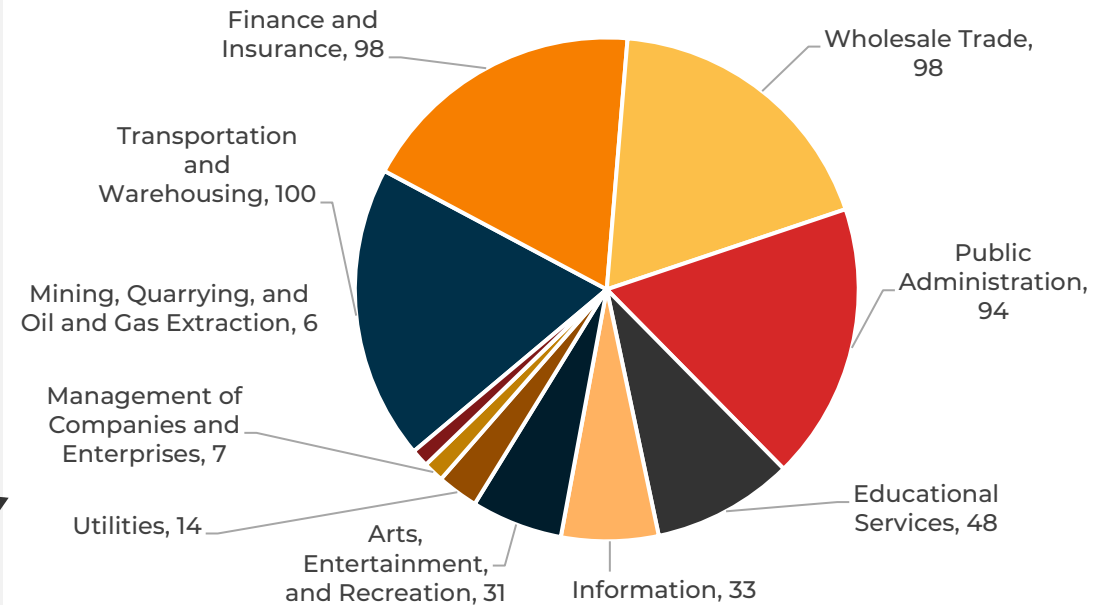


Source: Quarterly Census of Employment and Wages, US Census Bureau

Total Establishments in SPREDD:

2019 Q1	3,386
2025 Q2	3,666

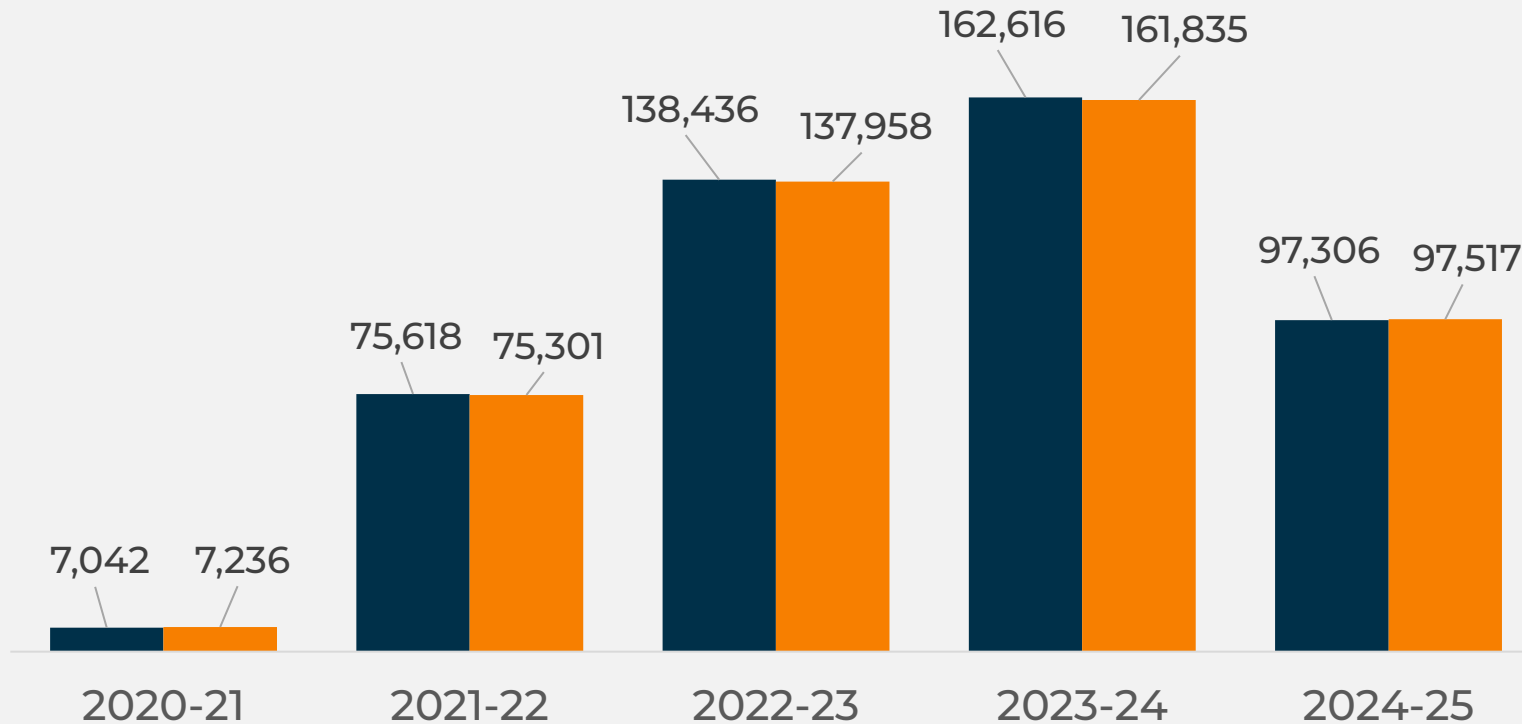
- Half of all establishments are concentrated in just 3 industries, suggesting a high reliance of economic activity on a few sectors
- 20% of establishments are healthcare related, compared to 15% in Puerto Rico



SPREDD Tourism Trends

Passenger Traffic

Inbound and Outbound Passengers at Mercedita Airport (FY2020 – FY2024)
■ IN ■ OUT

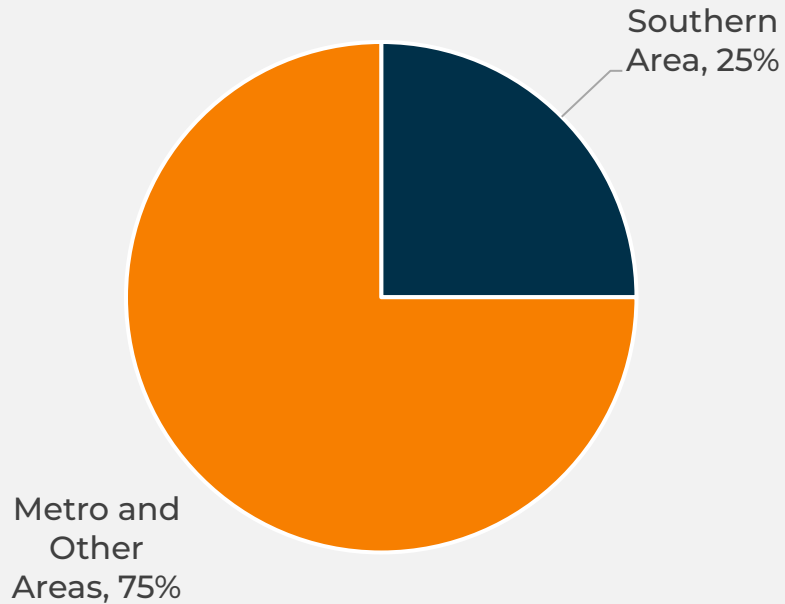


Source: Puerto Rico Ports Authority

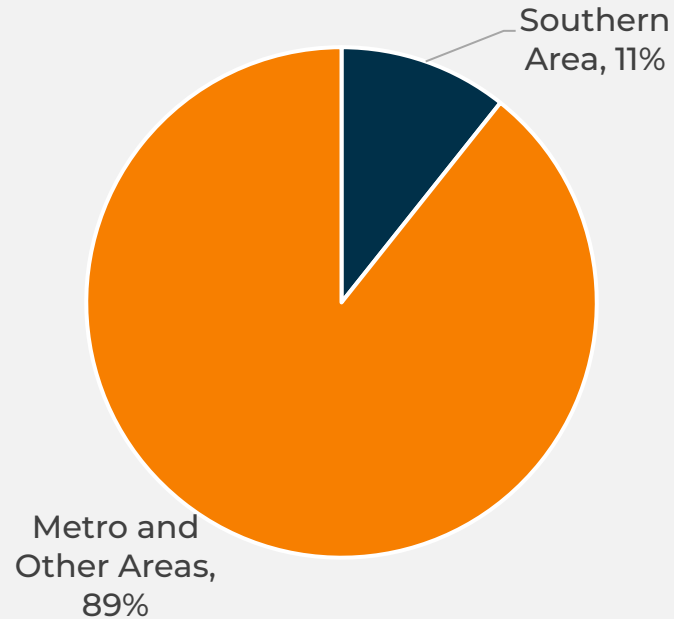
- Passenger traffic reached a record high in 2024, but fell by almost 50% during fiscal year 2025
- Despite record highs in 2024, passenger traffic in Mercedita represented less than 3% of total passengers arriving and departing SJU

Southern Area Visitors

Puerto Rican Visitors



Other Visitors

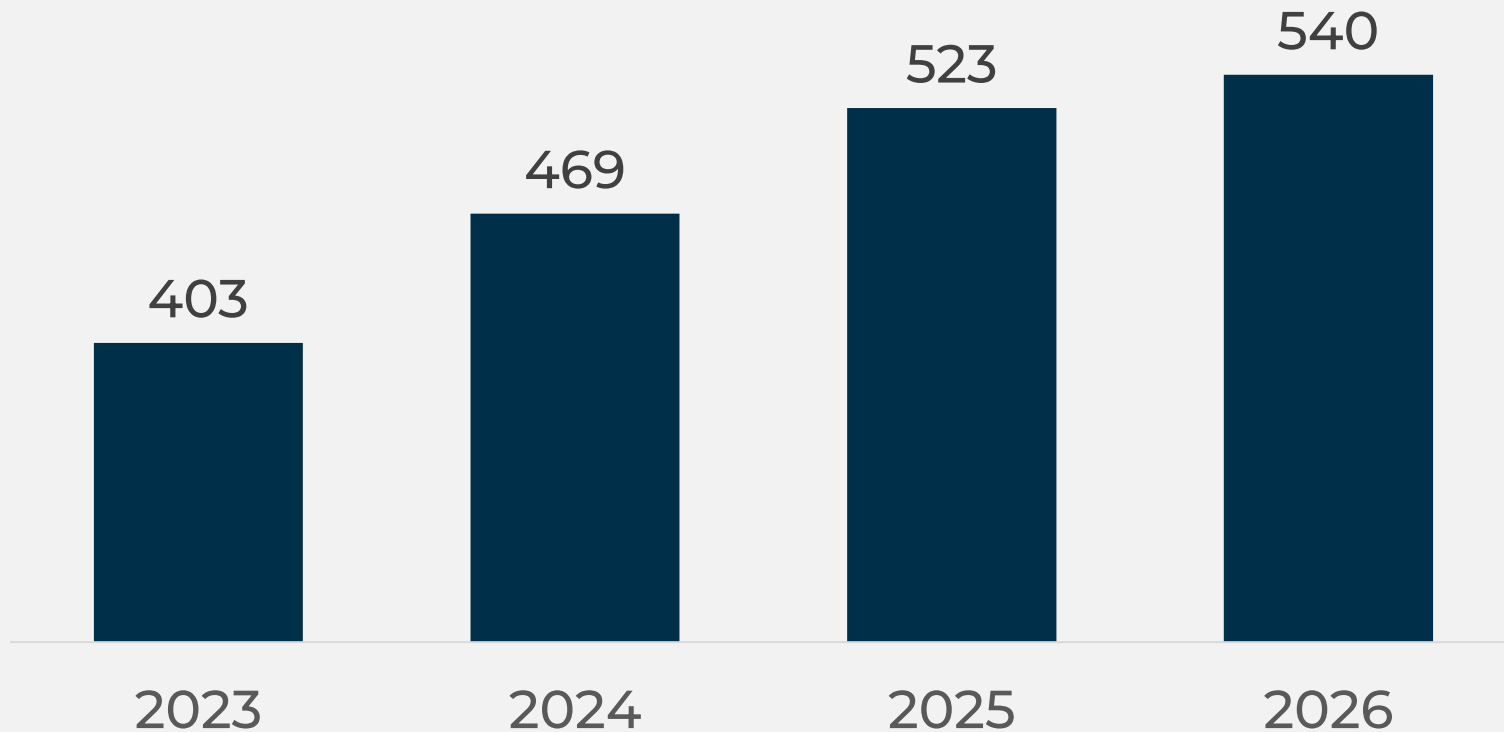


- 25% of visitors who have Puerto Rican descent visited the Southern area in 2024 compared to 11% of visitors born in other countries
- Visitors who have Puerto Rican descent have a higher preference towards visiting the Southern area

Source: Puerto Rico Visitor Profile for 2024, Institute of Statistics

Short Term Rental Listings

Active Short Term Rental Listings in SPREDD (2023 – 2026)

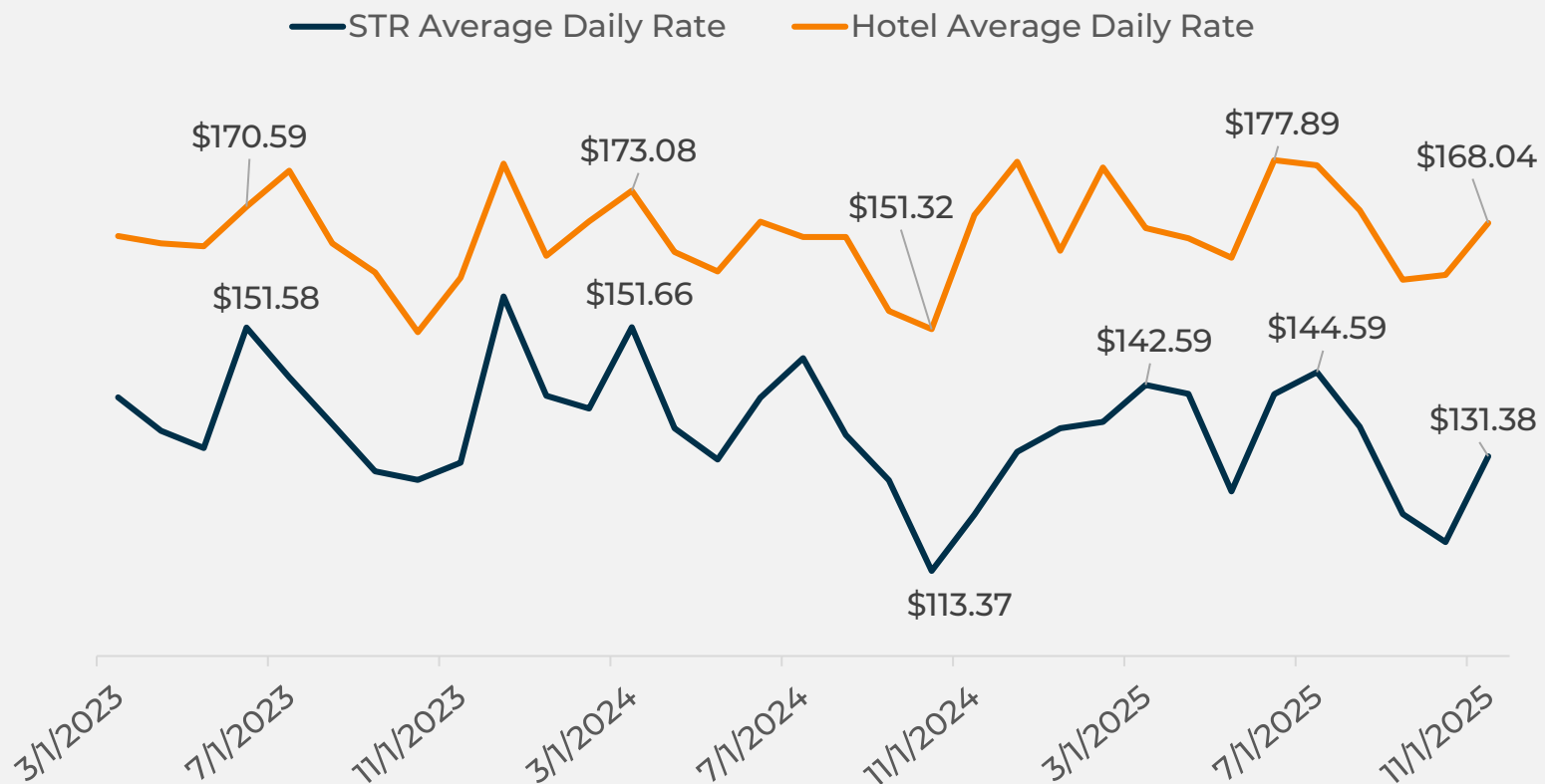


Source: AirDNA

- Active short term rental listings have increased by 34% since 2023
- Assuming that the average listed property has 2 rooms, then short term rental rooms closely match the total number of rooms in hotels endorsed by PRTC (~1,000 rooms)

Average Daily Rate

Average Daily Rate in SPREDD, Hotels and Short-Term Rentals (2023 – 2026)

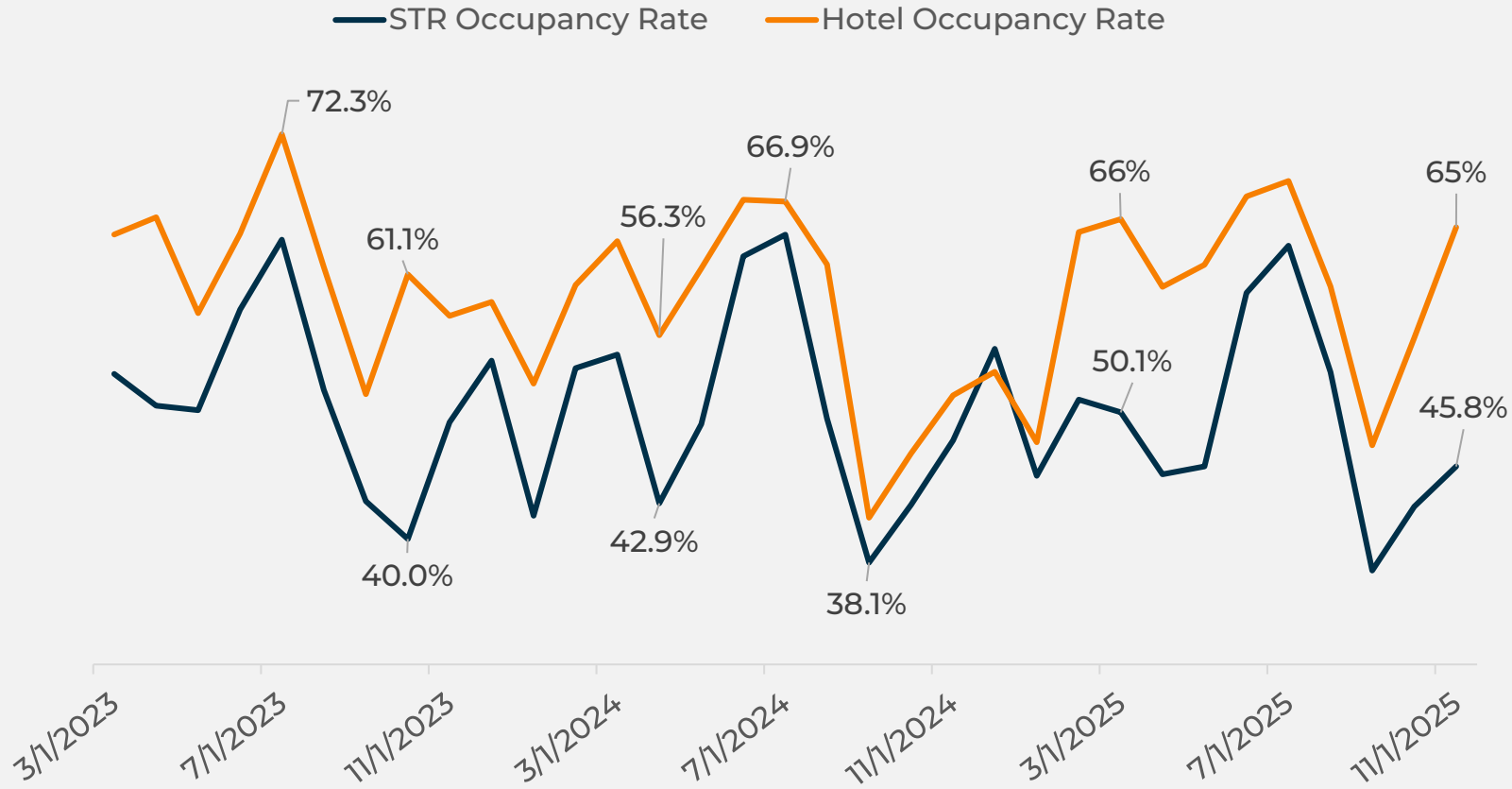


Source: AirDNA and Puerto Rico Tourism Company

- Average daily rates for short term rentals have fluctuated between \$113 and \$156 since 2023, below the ADR of hotels endorsed by PR Tourism Company
- The average daily rate for STRs since 2023 has been \$135.70, compared to a hotel ADR of \$166.15

Occupancy Rate

Occupancy Rates in SPREDD, Hotels and Short-Term Rentals (2023 – 2026)



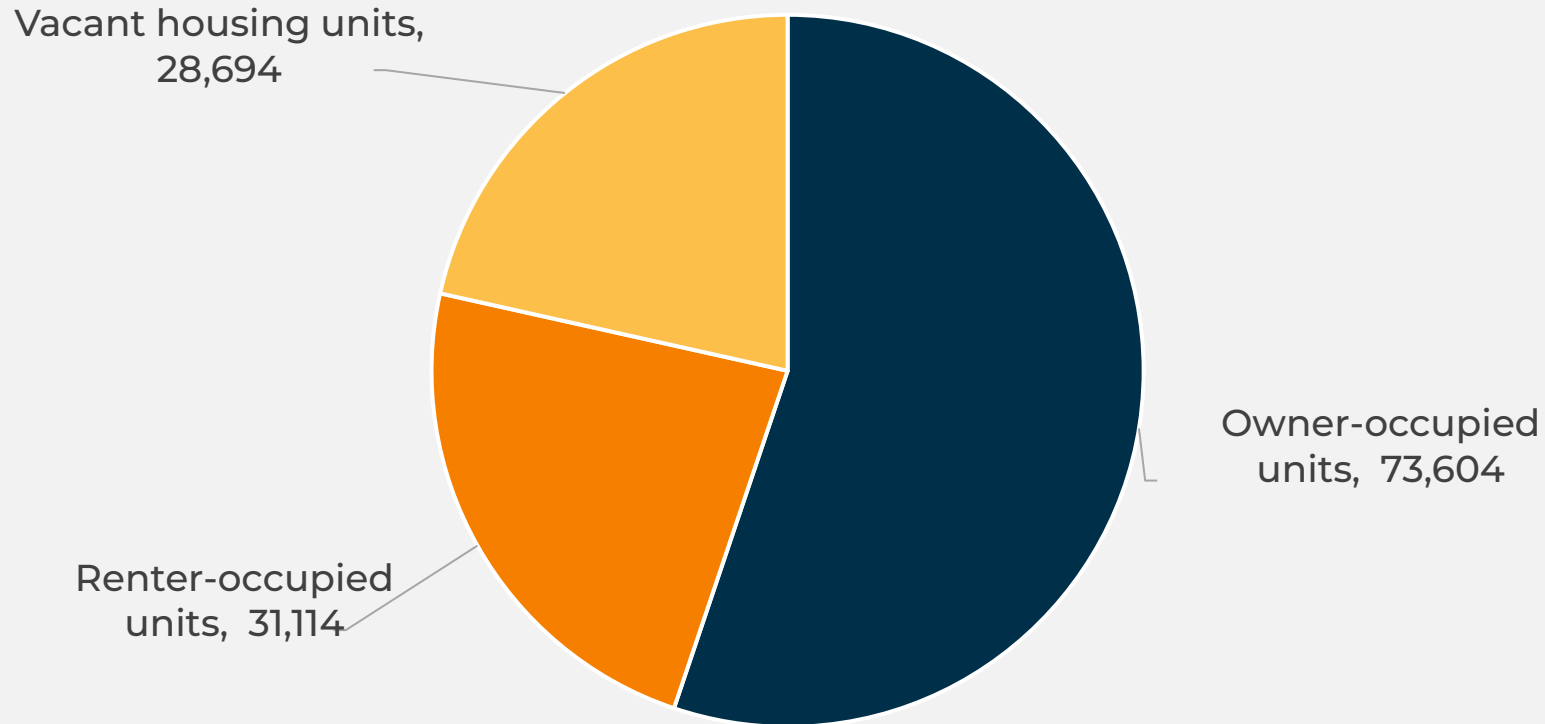
Source: AirDNA and Puerto Rico Tourism Company

- Short term rental occupancy rates have averaged 50.5% since 2023, compared to 59% occupancy in hotels endorsed by PRTC
- Hotel occupancy rates are on par with island-wide occupancy of 58% since 2023

SPREDD Housing Market Trends

Housing Tenure

Total Housing Units by Tenure (2024)

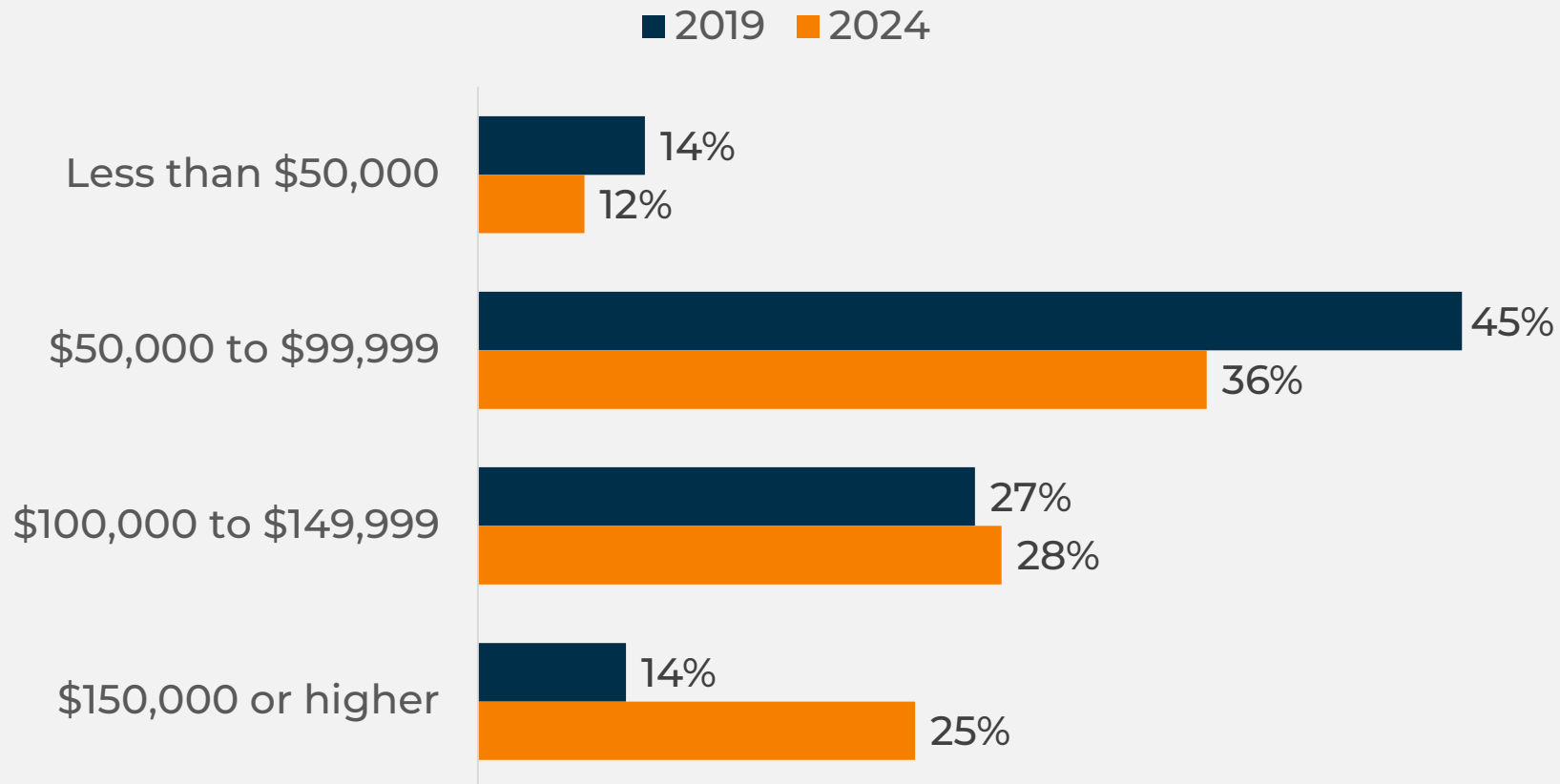


Source: American Community Survey 5-Year Estimates 2024

- Over 20% of housing units in the SPREDD region are vacant
- In Guánica, 36% of all housing units are vacant (1 in 3 housing units)

Housing Affordability

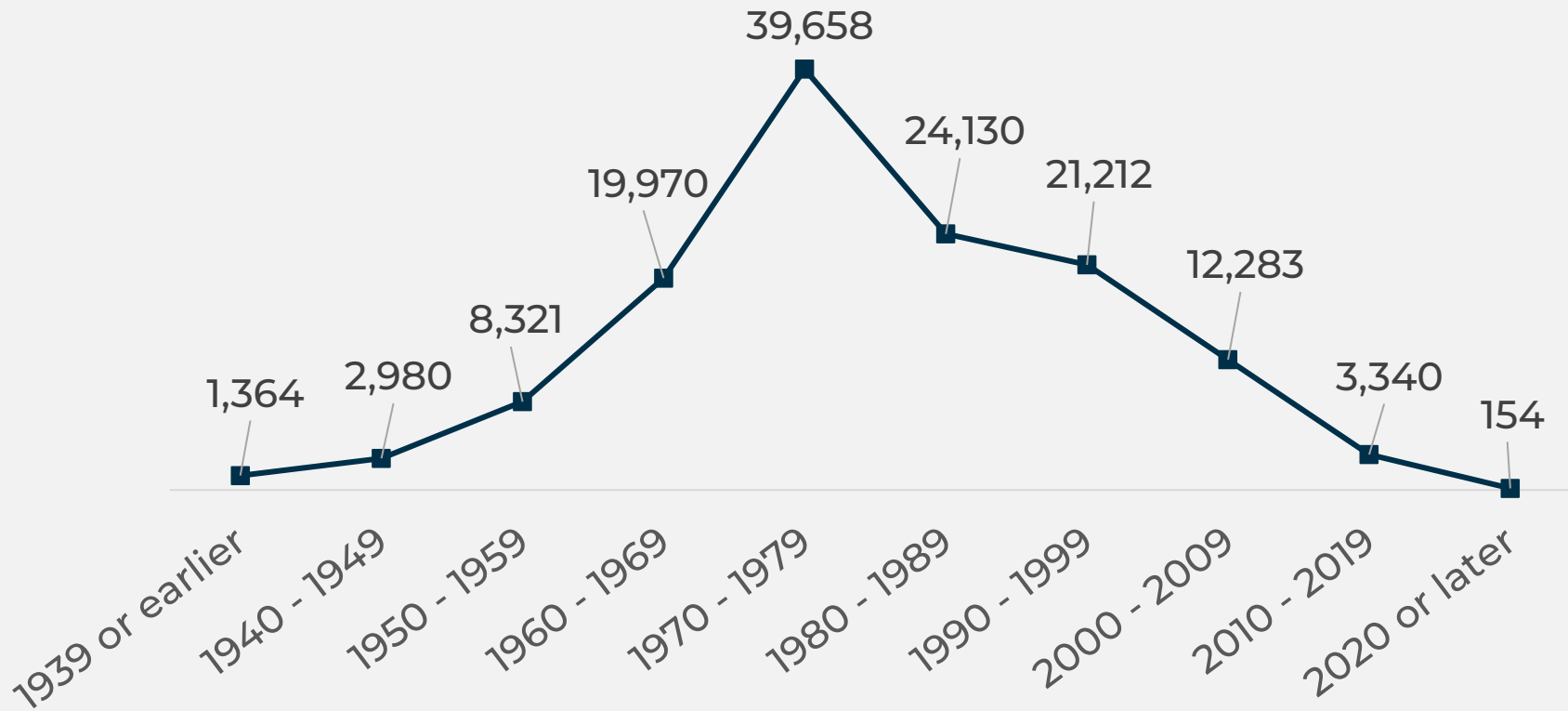
Percentage Occupied Housing Units by Value (2024)



25% of occupied housing units were worth \$150,000 or more in 2024, up from 14% in 2019

Housing Construction by Decade

Total Housing Units Built by Decade



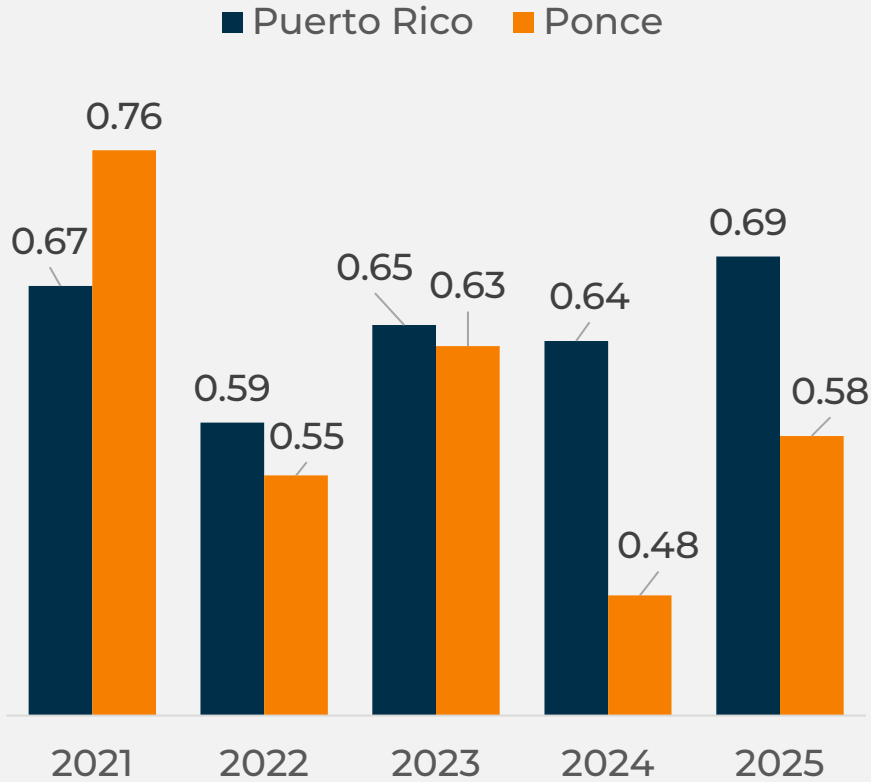
Source: American Community Survey 5-Year Estimates 2024

- Construction of new housing units began to slow down after the 1970's
- Only 154 new housing units have been constructed since 2020 (as of 2024)
- If the same pace of new housing construction continues, 385 new housing units will have been built between 2020 and 2030

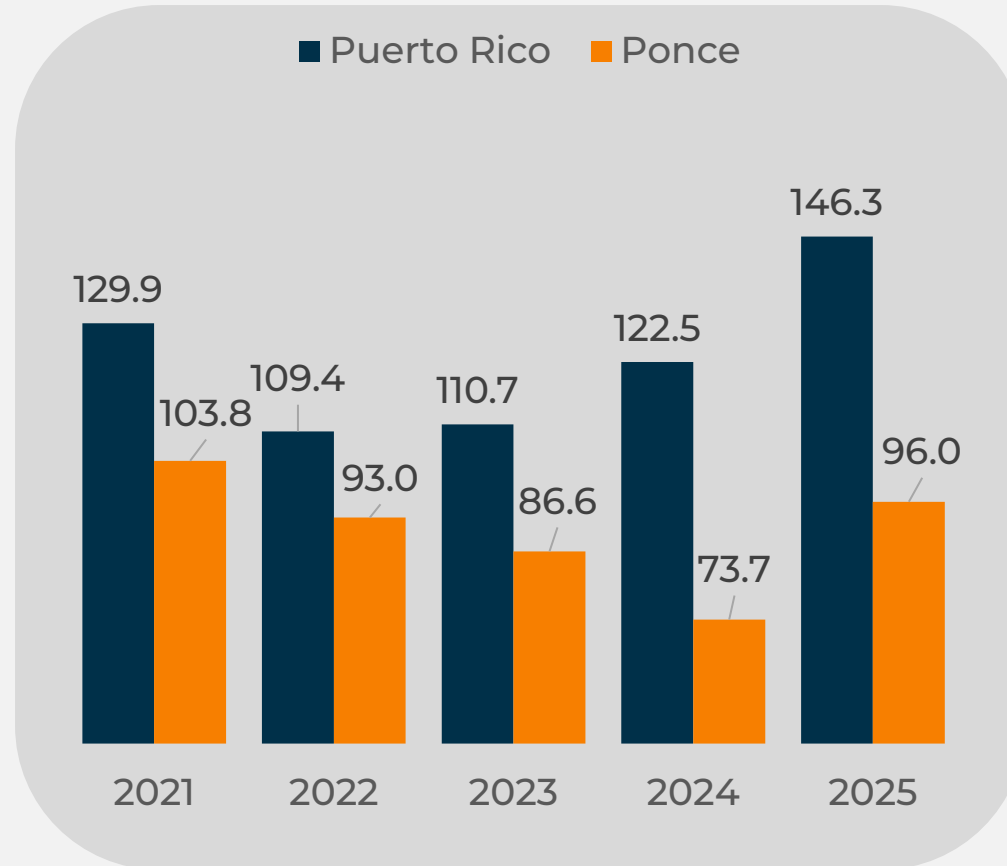
SPREDD Infrastructure

Energy Reliability

SAIFI Index



SAIDI Index



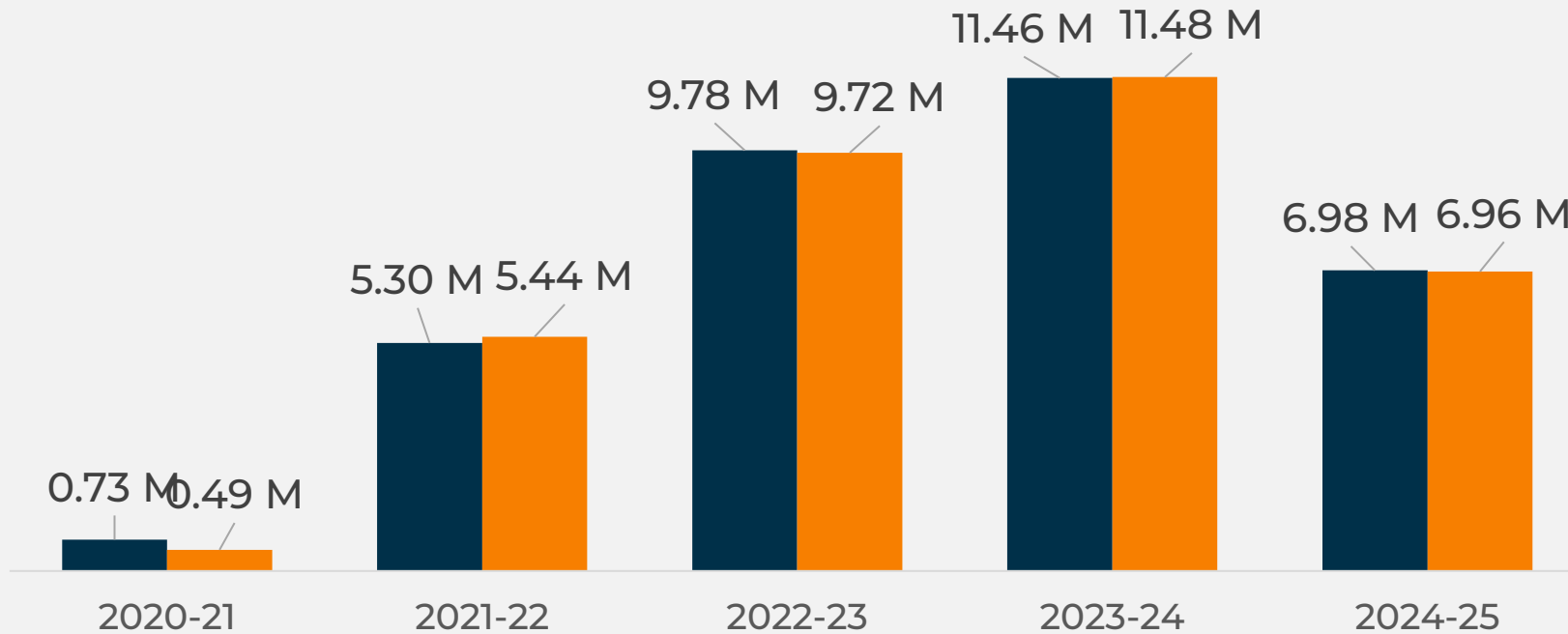
Source: LUMA Energy

- The frequency of energy service interruptions in Ponce has remained below that observed for Puerto Rico since 2024
- Duration of interruptions decreased consistently from 2021 to 2024 and has remained below the Puerto Rico average

Cargo Traffic

Total Inbound and Outbound Cargo in Mercedita Airport
(In Pounds, FY 2020 – FY 2025)

■ IN ■ OUT



- Cargo operations in Mercedita reached exceeded 11 million pounds in 2024, showcasing the capacity of the region’s airport to enable export and logistics capacity
- Mercedita received 14% of all inbound cargo in FY 2024, and was second in total inbound cargo behind BQN in Aguadilla (78 million pounds of inbound cargo in BQN)



¡Gracias!

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Driving Decisions.