

FEDERAL RESERVE BANK *of* NEW YORK

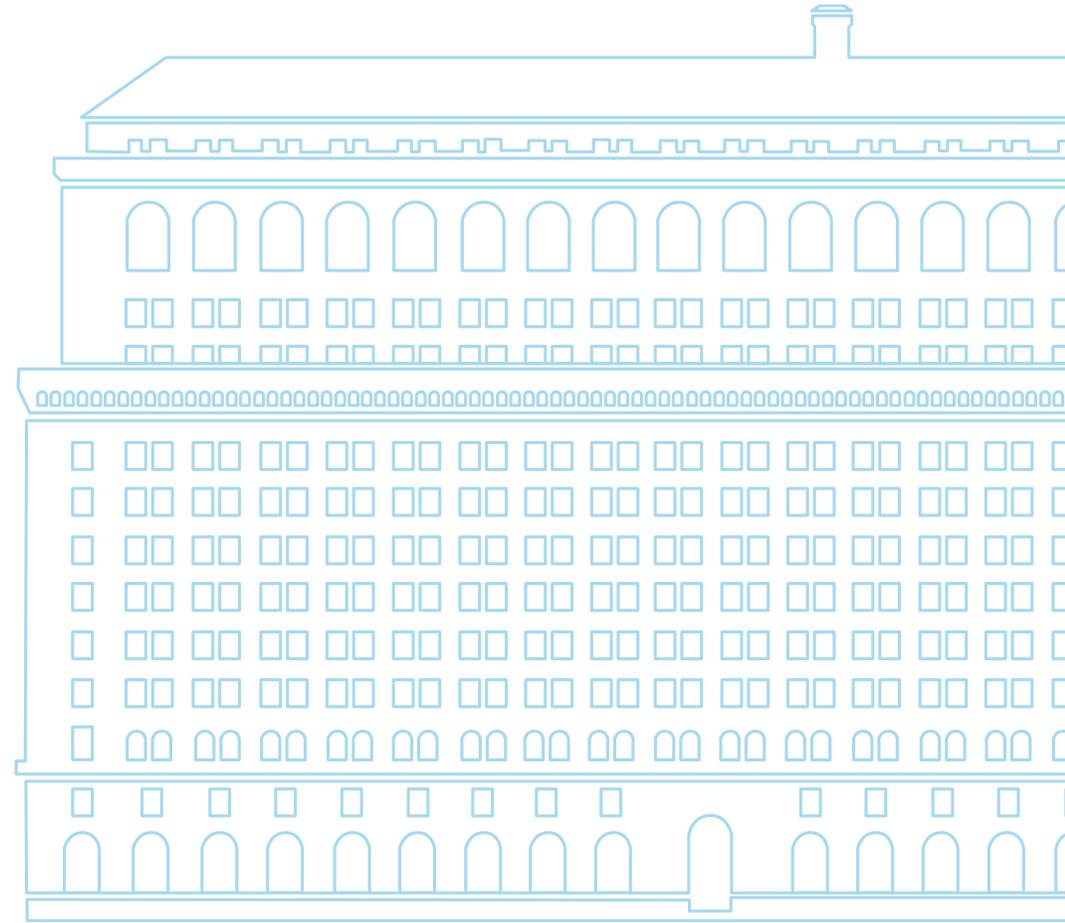
Update on the Puerto Rico Economy

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Financial Oversight & Management Board for Puerto Rico:
Economic Symposium

May 21, 2025

The views expressed herein are those of the presenter and do not necessarily represent those of the Federal Reserve Bank of New York or the Federal Reserve System.

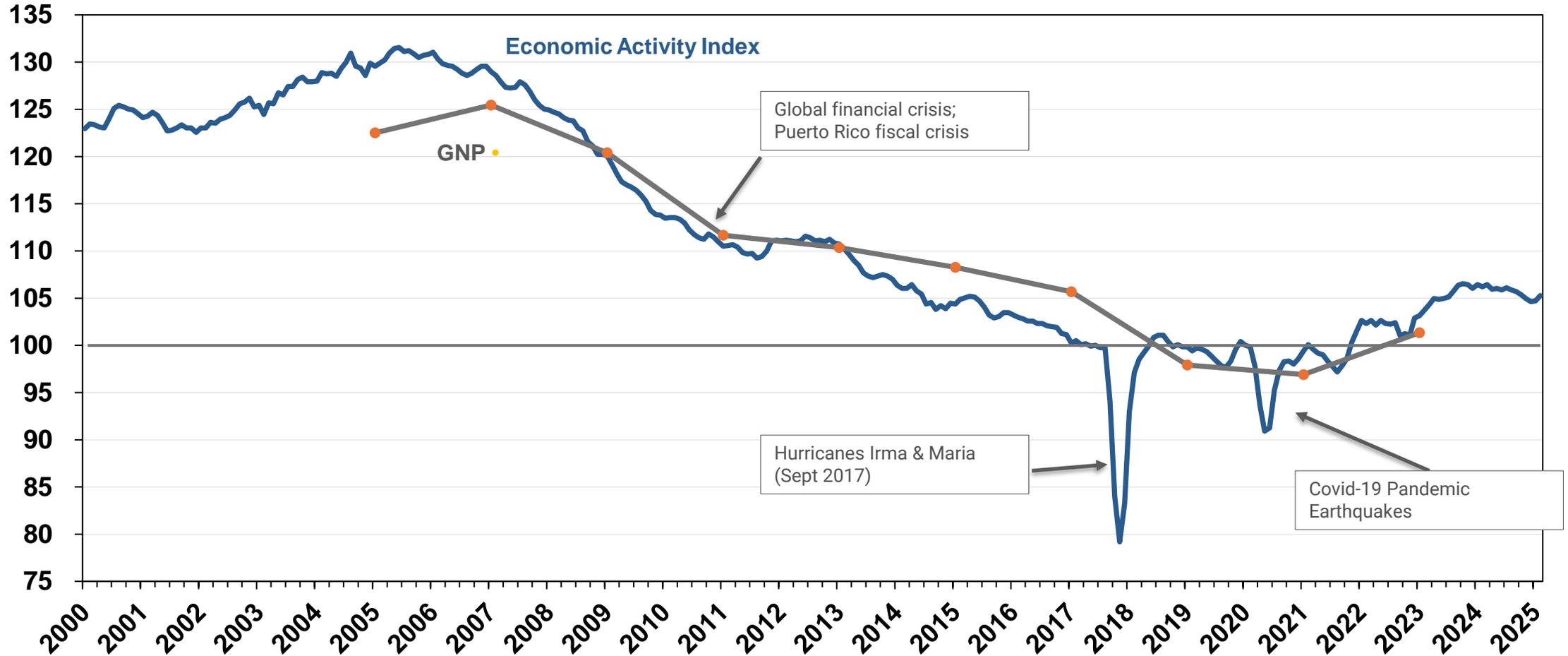


Summary

- After a decades long decline, Puerto Rico's economy has begun to grow.
 - Private employment has seen strong growth across most sectors.
- With stronger economic conditions, population has stabilized.
- Home prices have soared due to higher demand and short supply.
- Household delinquencies have stabilized after rising.

PR returns to growth following decades-long decline

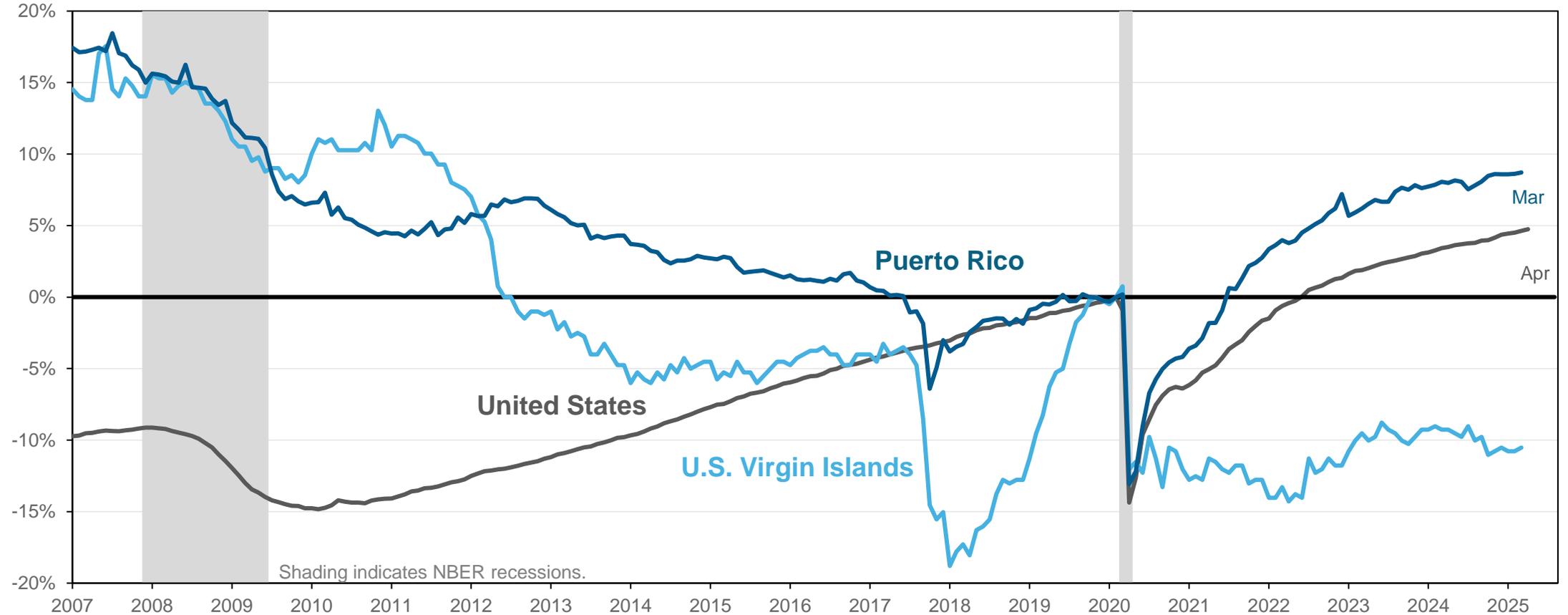
Index: Dec-2019= 100



Source: Bureau of Economic Analysis; Economic Development Bank of Puerto Rico; Haver Analytics; author's calculations

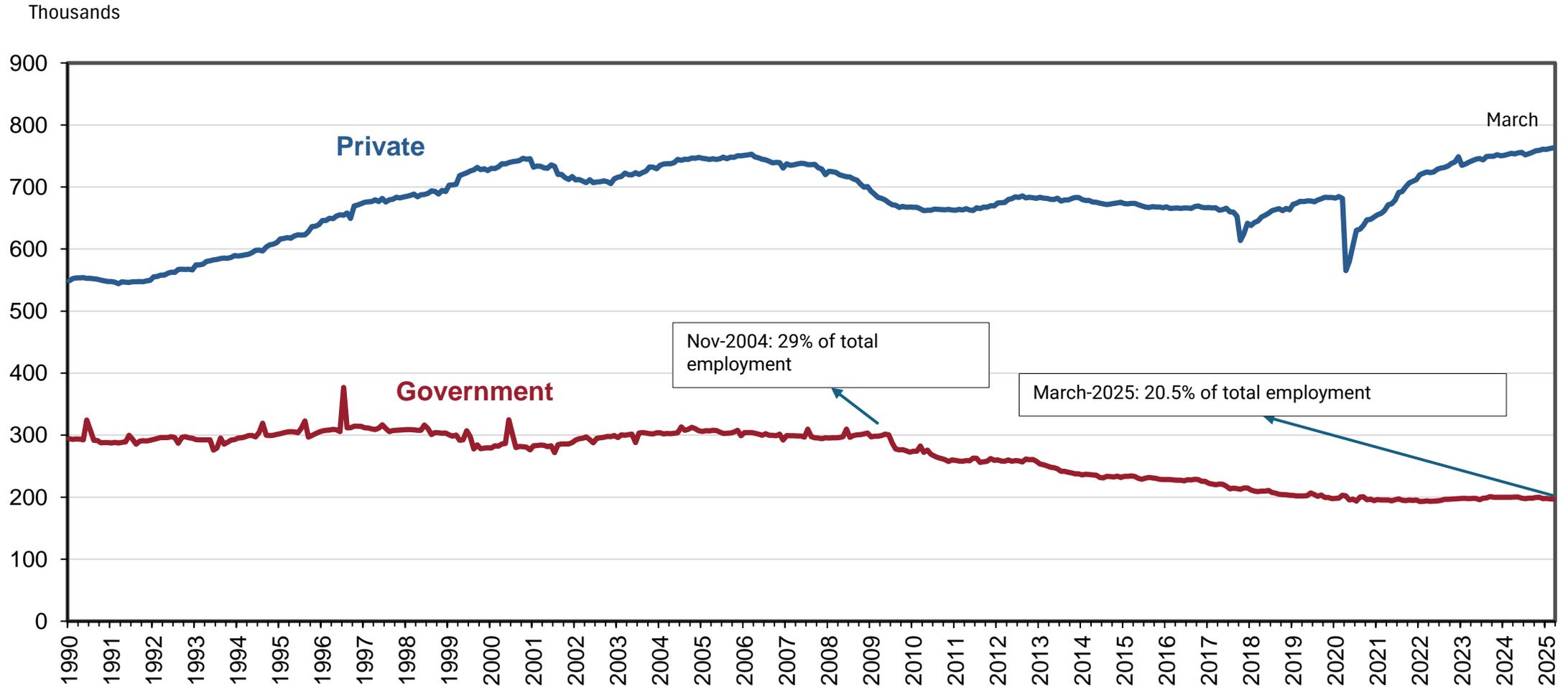
Post-pandemic surge in PR labor market

Index (Feb 2020 = 100)



Source: Bureau of Labor Statistics and Moody's Economy.com; data are early benchmarked by FRBNY staff.

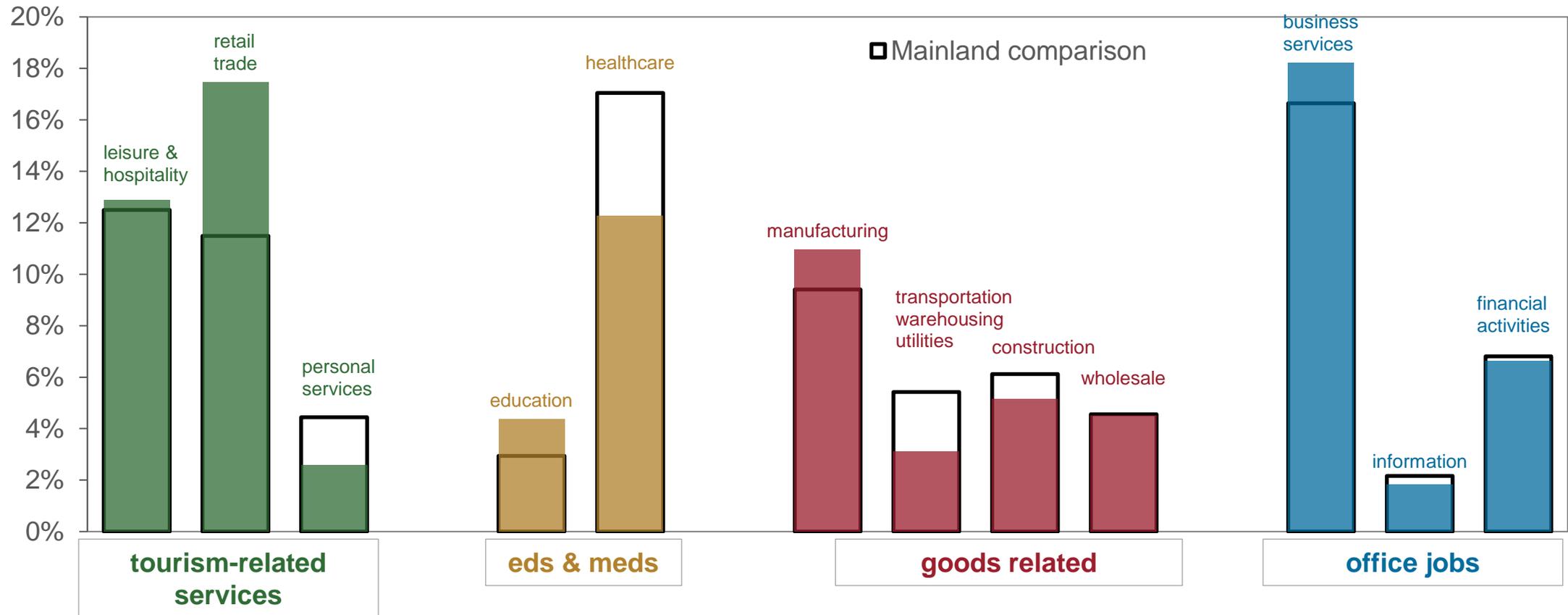
Private employment at all-time high



Source: Bureau of Labor Statistics CES; Haver Analytics

Some similarities with US Mainland industry balance

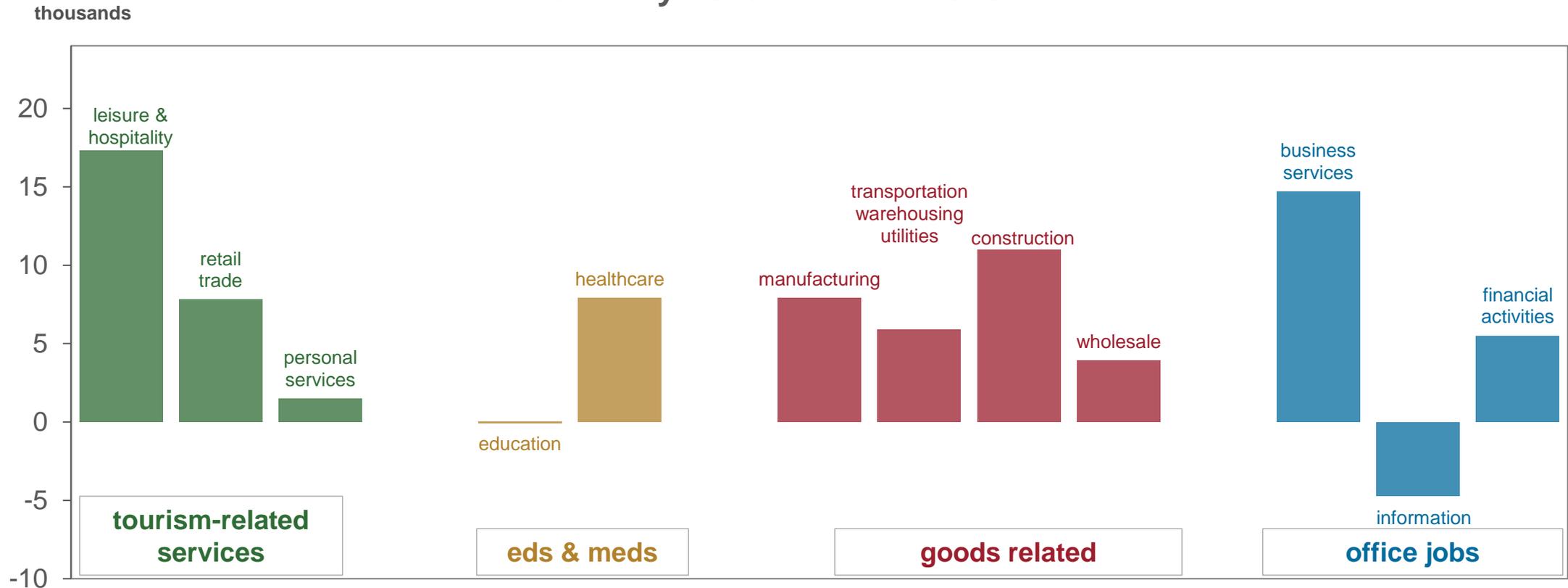
Industry Share of Private Employment: PR and US Mainland



Source: Bureau of Labor Statistics CES; Haver Analytics

Solid job growth across nearly all sectors

Change in Puerto Rico Employment by Sector
February 2020 to March 2025



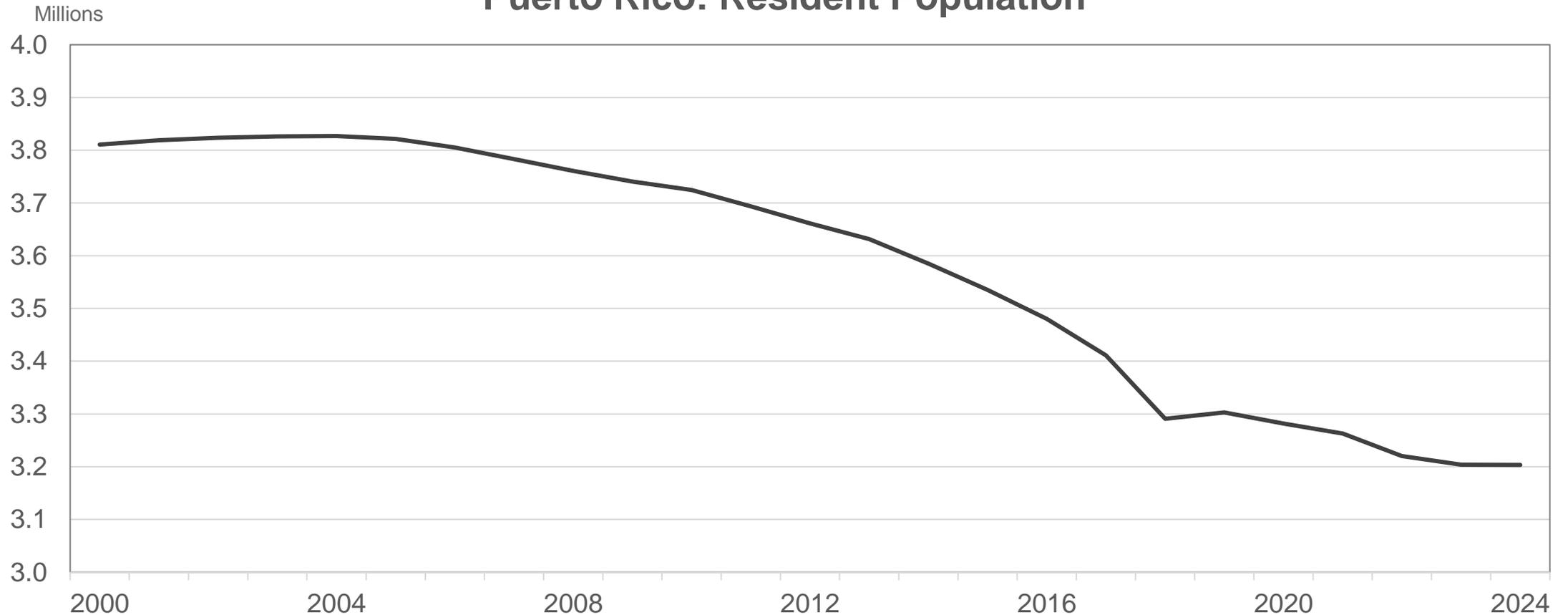
Source: Bureau of Labor Statistics CES; Haver Analytics

Labor force has grown with employment



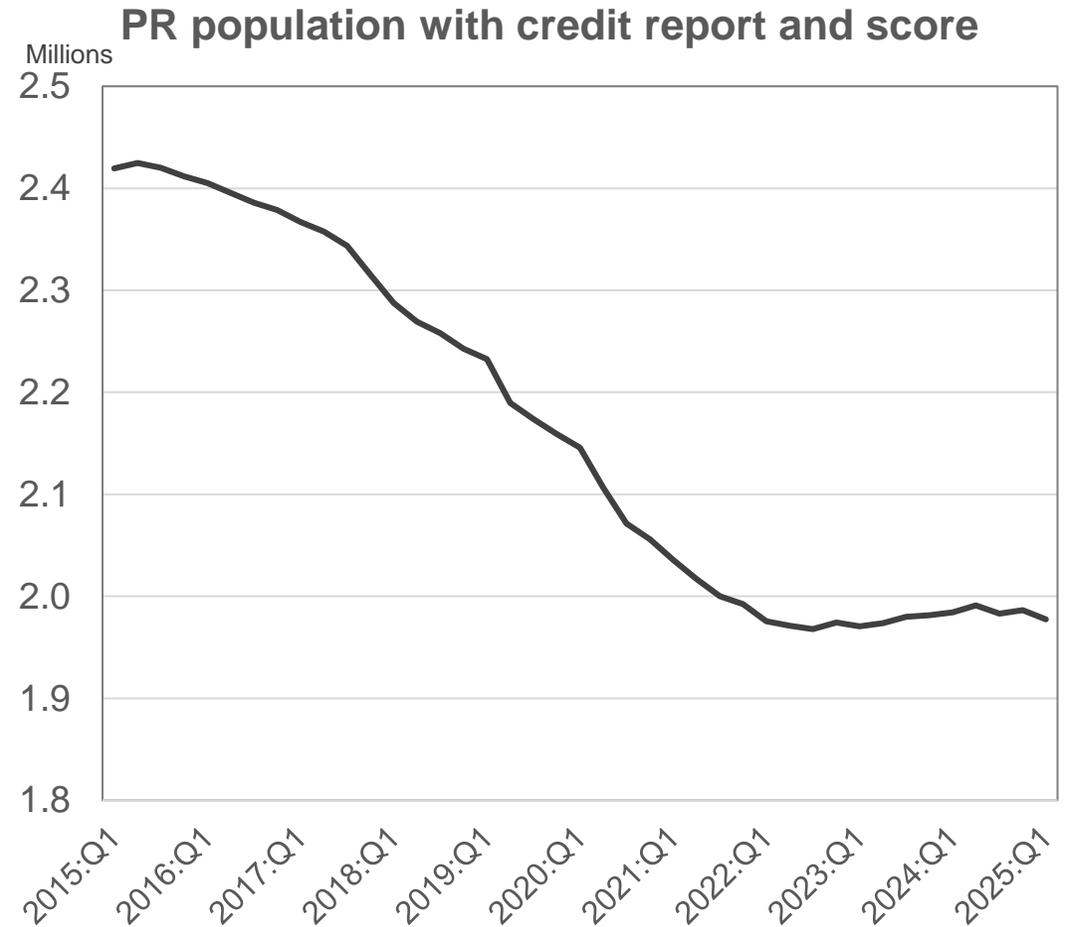
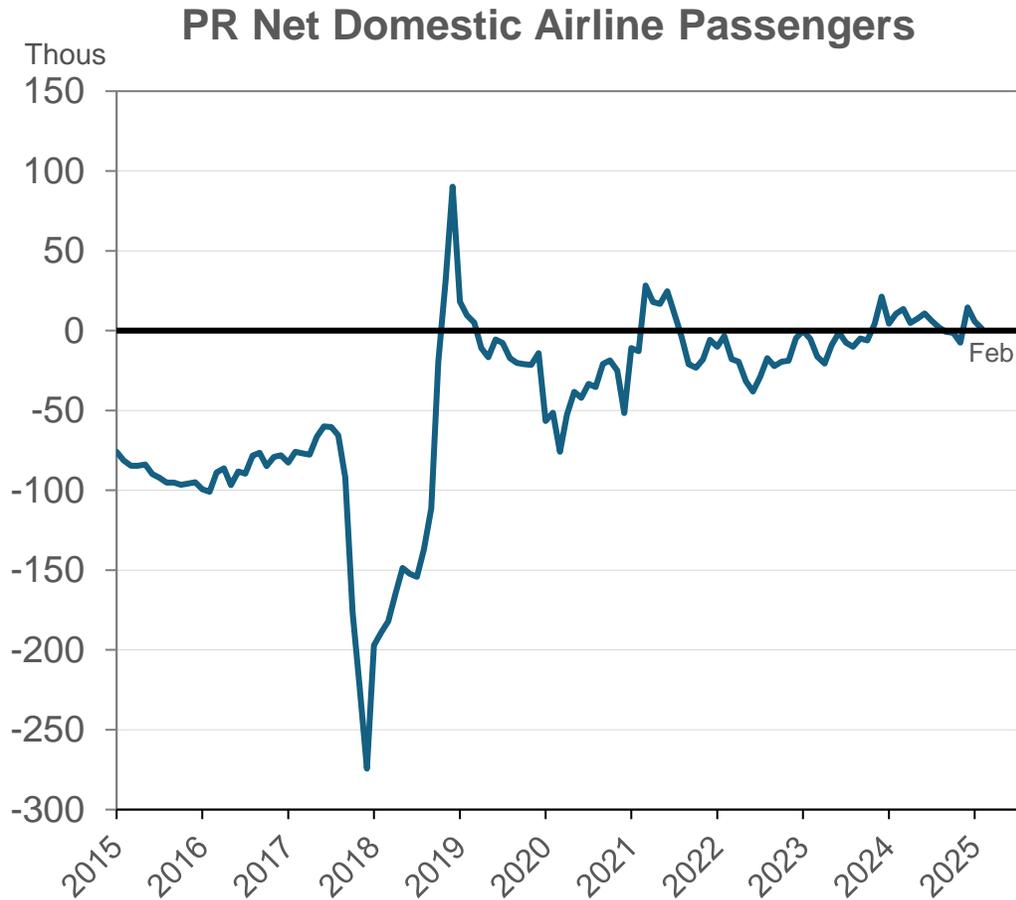
Population stabilizes after decades-long decline

Puerto Rico: Resident Population

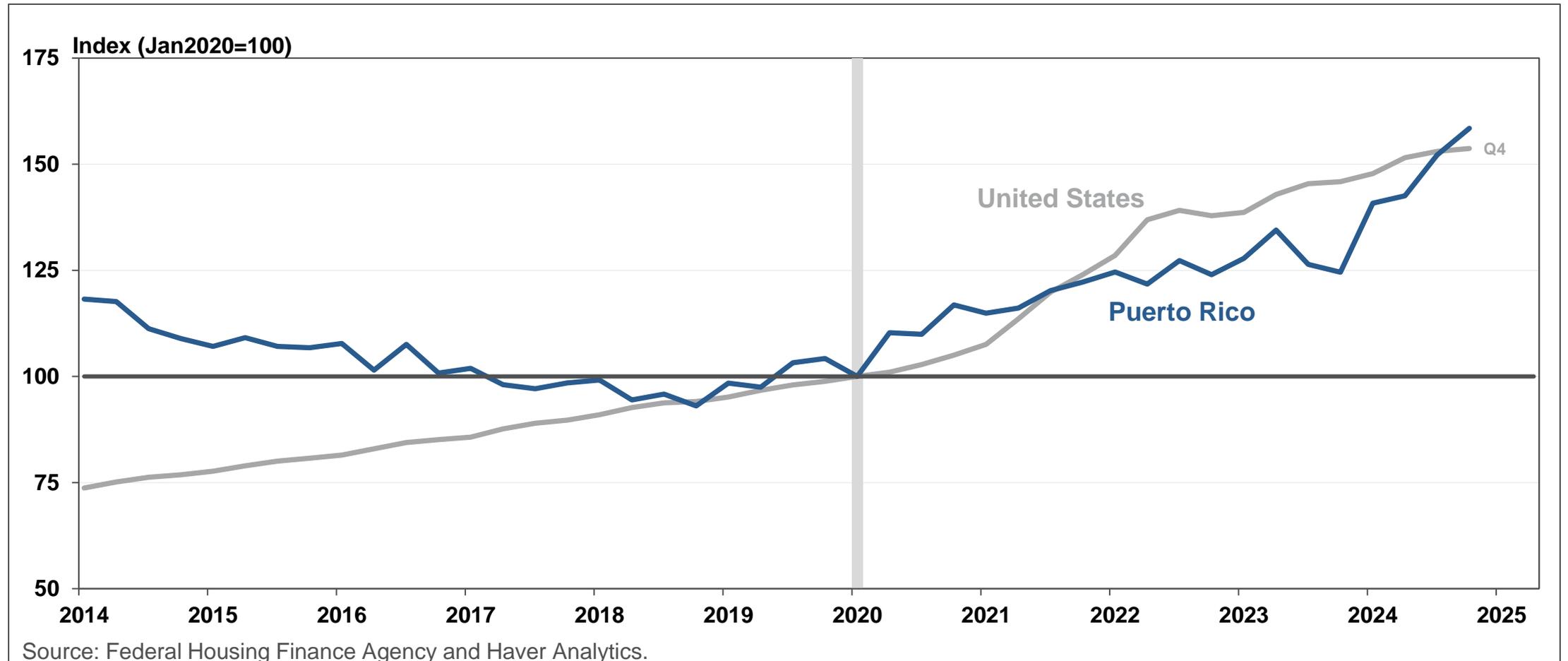


Source: US Census Bureau; Haver Analytics

Even some signs of population growth in alternative data



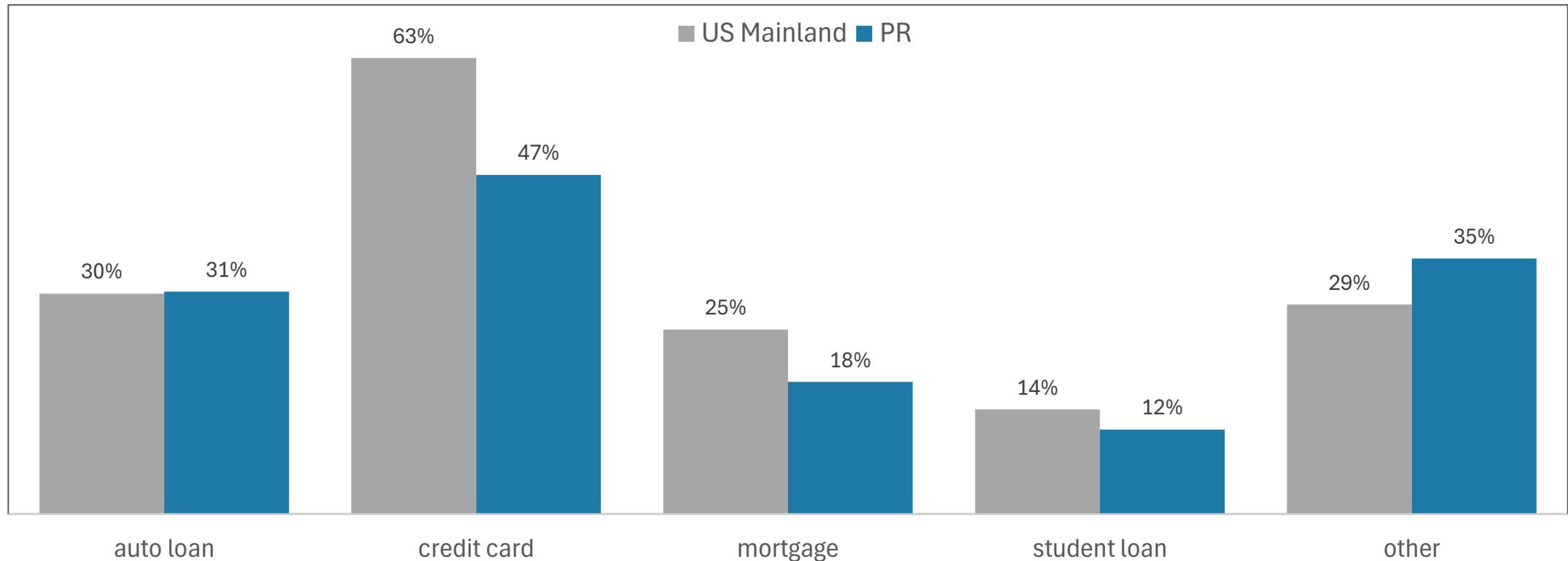
House prices soar and homes are in short supply



Source: FHFA; Haver Analytics

Credit market participation depends on product

Credit Product Participation in 2024:Q3
% of population with loan type



Source: New York Fed Consumer Credit Panel / Equifax

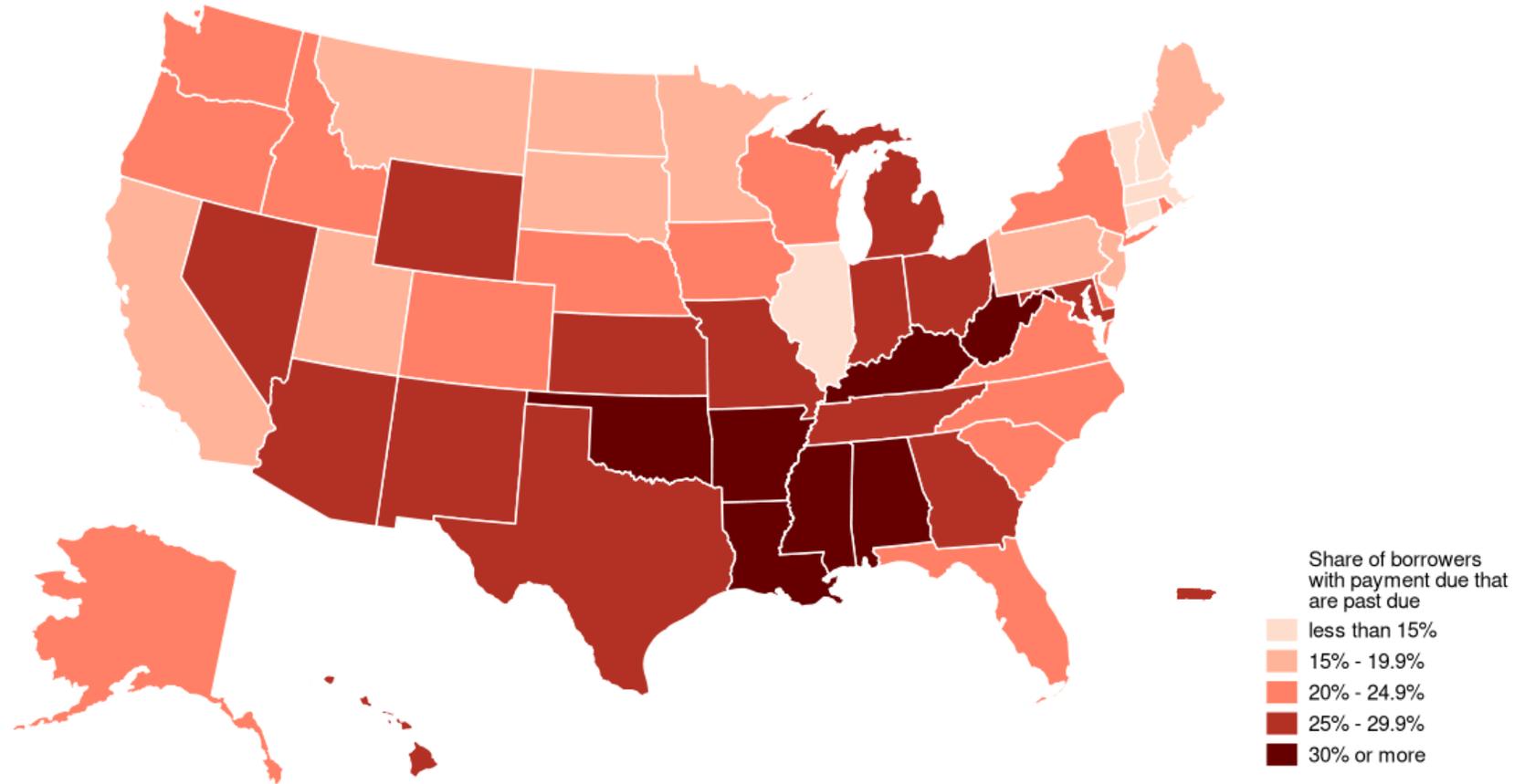
Higher loan balances for some products

Average loan balances by product (2024Q3)

	auto loan	credit card	other	student loan	mortgage
US Mainland	\$23,806	\$6,029	\$10,654	\$38,339	\$258,201
Puerto Rico	\$26,619	\$4,079	\$9,707	\$35,547	\$106,054

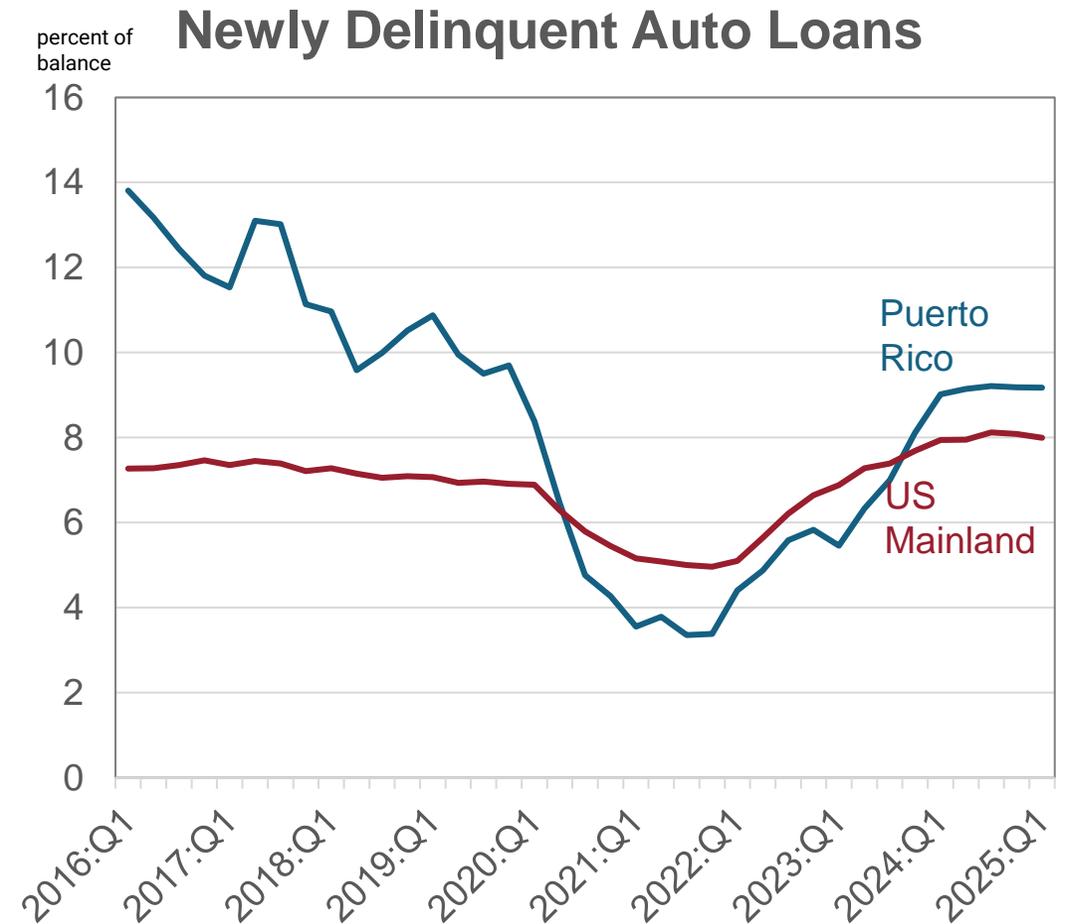
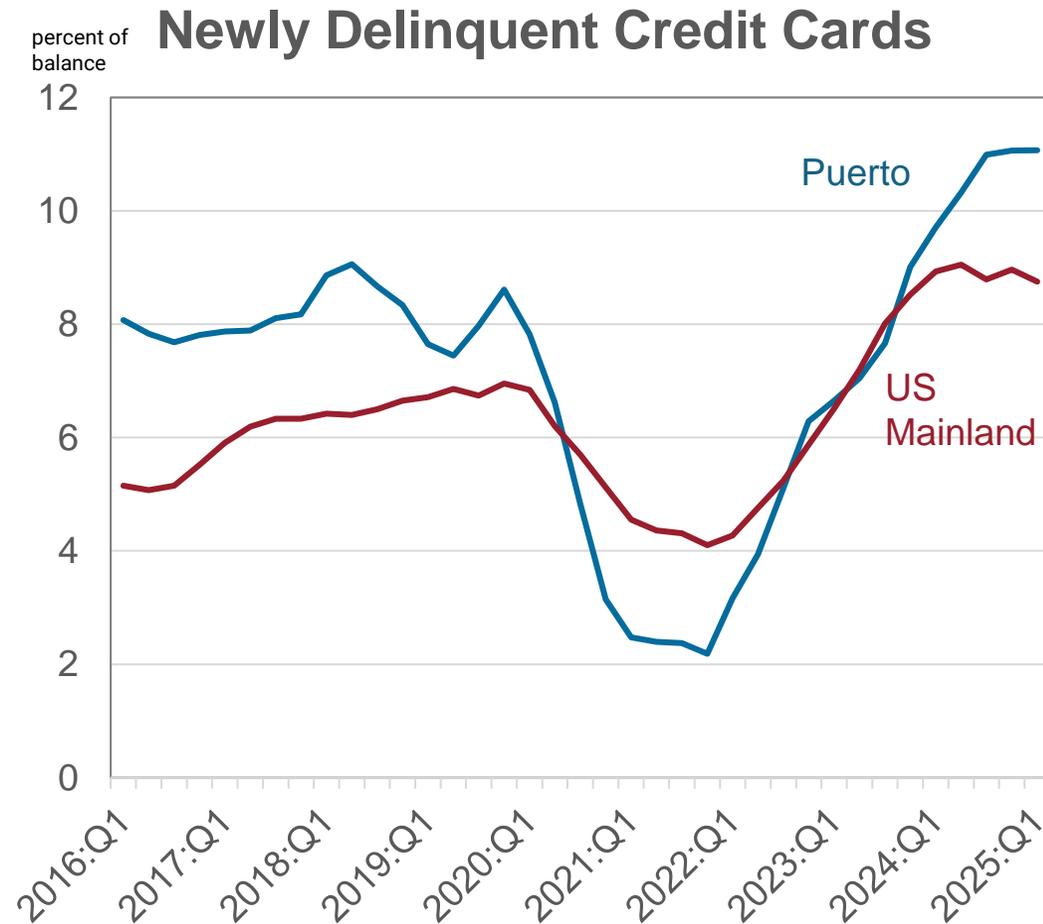
Note: Per person, conditional on having that type of account. Not adjusted for jointly held accounts.
Source: New York Fed Consumer Credit Panel / Equifax

Student loan delinquencies are back



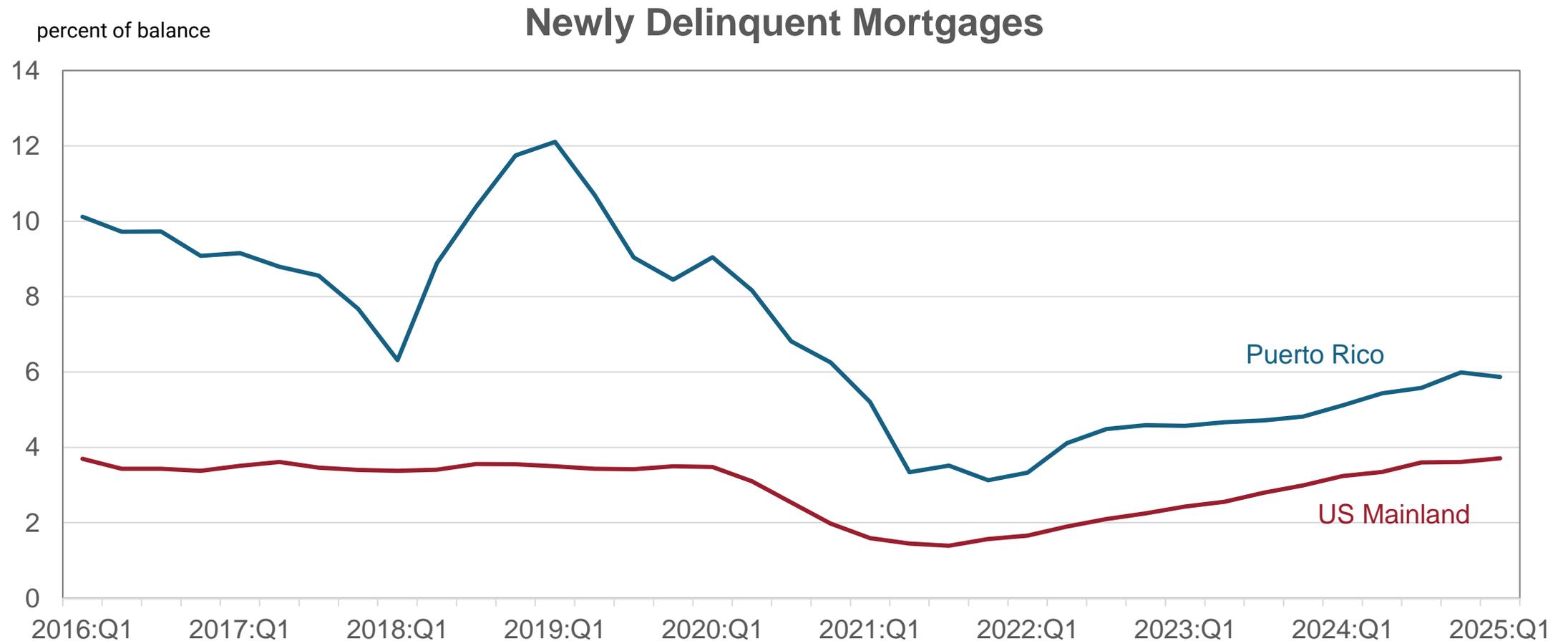
Source: New York Fed Consumer Credit Panel / Equifax

Delinquencies rise, after artificial pandemic lows



Source: New York Fed Consumer Credit Panel / Equifax

Mortgage delinquency rates generally higher



Source: New York Fed Consumer Credit Panel / Equifax

Takeaways

- Puerto Rico has seen a broad-based return to growth post-pandemic.
- The island's population loss appears to have stabilized, and the labor force has expanded.
- After rising, delinquencies in the consumer sector have now stabilized.