

# SEIZING THE OPPORTUNITY:

An Upward Mobility Centered Strategy  
For Propelling Sustainable Economic  
Development For Puerto Rico



**PLATFORM  
FOR SOCIAL  
IMPACT**



## ACKNOWLEDGEMENTS

This report was designed and developed through a partnership between the Platform for Social Impact and Causa Strategies, LLC. Causa Strategies is a proudly Puerto Rican social impact consulting firm specializing in developing strategies, content, and organizational capacities to catalyze systemic change. It was designed by Nicole Muñoz.

We want to thank Instituto del Desarrollo de la Juventud for collaborating in the identification of relevant sources of data and reports.

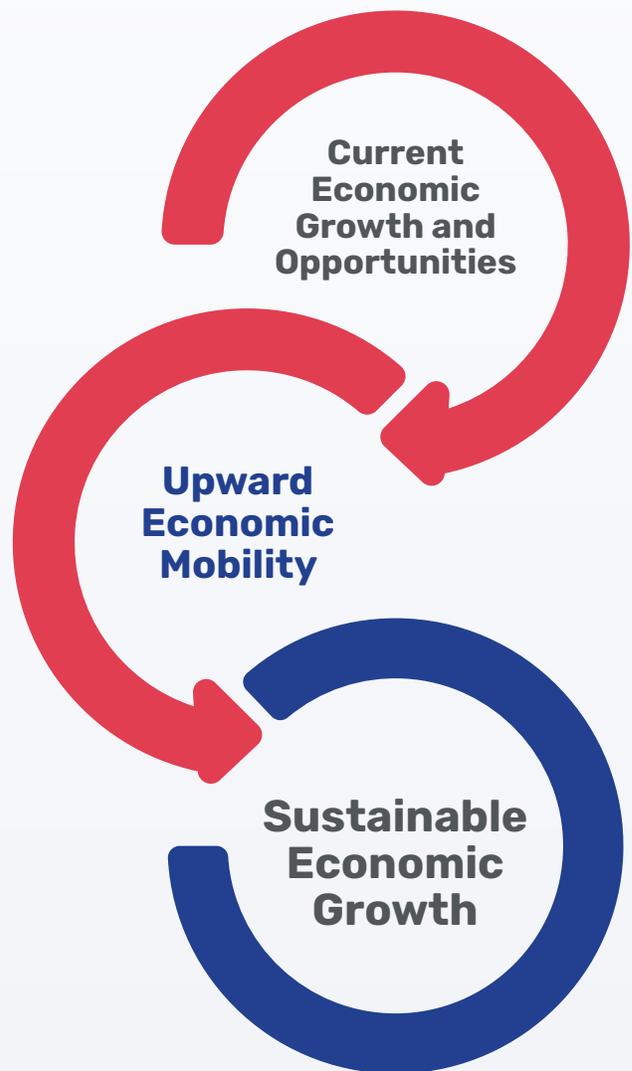
# INTRODUCTION: AN UNPRECEDENTED OPPORTUNITY FOR DEVELOPMENT

---

Puerto Rico sits at a juncture. After years of recession, the economy shows signs of recovery and growth. An unprecedented amount of federal recovery and infrastructure funding- over \$85 billion- is committed. If seized correctly, these funds can be leveraged to propel upward economic mobility for the majority of people living in Puerto Rico, catalyzing sustainable economic development and providing ample opportunities for making gains in all aspects of our society.

In this report, Platform for Social Impact lays out the importance of promoting upward economic mobility, a research informed framework for achieving it, and preliminary opportunities for action for the different actors that have a stake in Puerto Rico addressing economic mobility—including businesses, government, and philanthropy, amongst others. As a launching point for conversations and collaborations, the framework is meant to be alive and continue evolving.

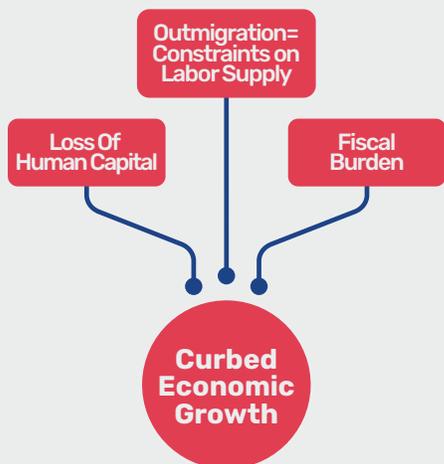
*Image 1: Upward Economic Mobility as a Strategy for Sustainable Economic Growth*



# LOW ECONOMIC MOBILITY = CURBED ECONOMIC GROWTH

While economic growth is an important driver of economic mobility, strategies that try to promote economic growth, but do not intentionally address issues like poverty and low economic mobility will have a limit. This is because it has been found that low social and economic mobility can curb economic growth.<sup>1</sup> There are three mechanisms by which this happens: **1** the fiscal burden; **2** constraints to labor supply, which are fueled by outmigration when there is not sufficient opportunity; and **3** a loss of human capital.<sup>2</sup>

*Image 2: Low economic mobility dynamics that result in curbed economic growth.*



Instituto del Desarrollo de la Juventud (IDJ) documented part of these dynamics in the 2020 study on the cost of child poverty, which estimated that the high rates of child poverty cost Puerto Rico approximately \$4.4 billion annually in fiscal costs and loss of human capital. The study does not consider migration, but analyses of Puerto Rican migration patterns suggest that a significant portion of migration is fueled by a search of better economic opportunities.<sup>3</sup>

These analyses support the theory that a lack of economic opportunities for economic mobility has led to further economic stagnation in the context of Puerto Rico.

Hence, we believe that strategies that lead to upward economic mobility will be key for Puerto Rico's sustainable economic development, and the benefits of these strategies will have a positive ripple effect on a diversity of sectors and stakeholders.

<sup>1</sup> OECD, "A Family Affair: Intergenerational Social Mobility across OECD Countries." Economic Policy Reforms 2010: Going for Growth. OECD Publishing, 2010, <https://doi.org/10.1787/growth-2010-38-en>.

<sup>2</sup> Reeves, Richard V. "The Economic Case for Social Mobility." Brookings, 16 Aug. 2013, [www.brookings.edu/articles/the-economic-case-for-social-mobility/](http://www.brookings.edu/articles/the-economic-case-for-social-mobility/).

<sup>3</sup> Abel, Jaison R., and Richard Deitz. "Las causas y consecuencias del descenso poblacional en Puerto Rico." Current Issues in Economics and Finance, vol. 20, no. 4, 2014, Federal Reserve Bank of New York, [www.newyorkfed.org/research/current\\_issues](http://www.newyorkfed.org/research/current_issues).



## DEFINING UPWARD ECONOMIC MOBILITY

Upward economic mobility can be defined as the dynamic in which a person's economic condition improves. This definition has two sets of variables. One is whether mobility is intragenerational or intergenerational. Intragenerational mobility refers to a person experiencing this improvement in economic condition within their adult lifetime. On the other hand, intergenerational mobility refers to a person achieving a better economic condition than their parents. The second set of variables is whether the mobility is absolute or relative. **As defined by the U.S. Partnership on Mobility from Poverty, absolute mobility "occurs when a person or family's situation improves in absolute terms: their income rises, their life becomes more stable, and they gain a greater sense of dignity or control... in principle, a prosperous and growing society could have absolute upward mobility for nearly everyone".** Absolute mobility may or may not narrow inequality. On the other hand, relative mobility refers to a movement in rank- a person or family rises from the bottom quintile- for example. Alternatively, it can also refer to narrowing the gaps between those at the bottom and those at the top, reducing inequality.<sup>4</sup>

*The actions outlined in this framework are intended to achieve both intergenerational and intragenerational mobility, with a focus on absolute mobility that can eventually lead to a reduction in inequality and increased relative mobility.*

We outline short - and medium-term interventions that seek to improve the economic condition of adults and longer-term interventions that aim to provide children with a series of opportunities and supports that will position them to have a higher income than their parents as adults. Multigenerational interventions also seek to simultaneously improve the economic condition of parents and caretakers, as well as children's opportunities.

---

<sup>4</sup>Elwood, David T., et al. Creating Mobility from Poverty: An Overview of Strategies. Urban Institute, Aug. 2016.

# WHY IS ECONOMIC MOBILITY SO CRITICAL FOR PUERTO RICO?

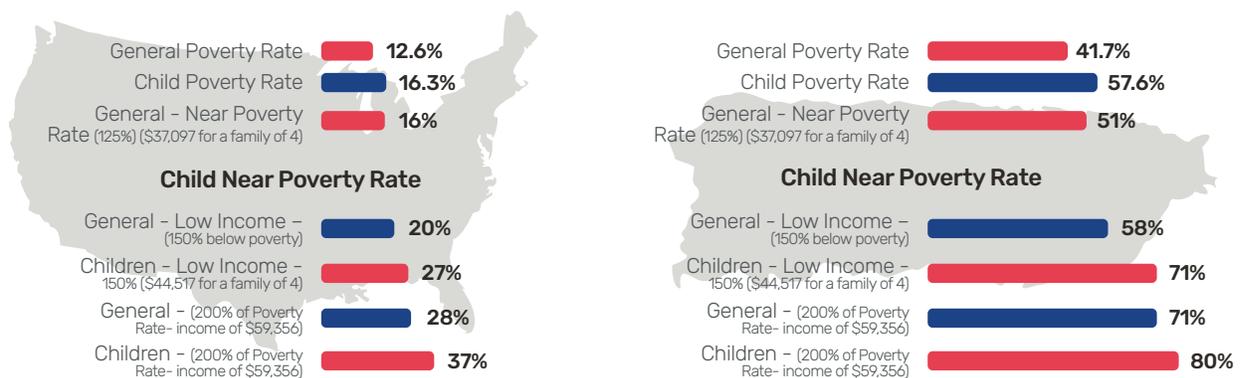
*As opposed to the context of the United States, where economic precarity is experienced by a minority of the population, in Puerto Rico it is experienced by the majority.*

In the United States, individuals living in poverty comprise a minority of the population (**12.6%**), but in Puerto Rico, people living in poverty represent a significant proportion of the population (**41.7%**) and most of the child population (**57.6%**). If we widen our lens to look at those individuals living near poverty- at 125% poverty line- that represents over half of the residents of Puerto Rico (**51%**) and still a minority of the population of the United States (**16%**).

Beyond those who are living in or near poverty, a significant proportion of working individuals and families struggle to make ends meet and are not thriving. This situation is particularly relevant considering recent increases in the cost of living and the high cost of utilities and groceries on the Island.<sup>5</sup> To get a sense of the individuals who could fall into this category, we broaden our lens even more to 200% of the poverty level, which, for example, would be a family income of less than \$59,256 for a family of four. **If we take this group into account, 71% of the Puerto Rican population, as opposed to 28% of the population in the United States, are either struggling to make ends meet or living in poverty.** Hence, when we talk about upward economic mobility in Puerto Rico, we are talking about elevating the economic status and conditions of most of the population.

## POVERTY AND NEAR POVERTY RATES- UNITED STATES VS. PUERTO RICO

(SOURCE: S101 UNITED STATES CENSUS BUREAU, AMERICAN COMMUNITY SURVEY 2022, AND KIDS COUNT DATA CENTER)



<sup>5</sup> Henríquez, John. "Rise in Prices, Rise in Cost of Living." Intelligent Economics, <https://intelligenteconomics.com/rise-in-prices-rise-in-cost-of-living/>. Accessed 16 Mar. 2024.

**Given Puerto Rico's past economic and current and future demographic challenges, upward economic mobility will be critical to the archipelago's growth, prosperity, and sustainability.**

**In addition to high levels of poverty and economic precarity, Puerto Rico has one of the most rapidly aging populations in the world.** Declining fertility and mortality rates and high rates of outmigration amongst working-age adults drive rapid aging. As a result, the old-age support ratio- which speaks to the number of older adults that will need to be supported by working age adults, - increased from 16.5 older adults that would need to be supported for every 100 workers in 2000 to 33.1 older adults that would have to be supported for every 100 workers in 2019.<sup>6</sup> Hence, is crucial to focus on providing economic opportunities for young adults and families, who have traditionally migrated at higher rates.<sup>7</sup> As it was stated earlier, these migration patterns are fueled by lack of economic opportunities and exacerbates the demographic trend of lower birth rates. In 2023, Puerto Rico registered the lowest number of births since 1888.<sup>8</sup>

2000

16.5

2019

33.1

**Older adults that would need to be supported for every 100 workers**



<sup>6</sup> Matos-Moreno, Amílcar, et al. "Aging and the Left Behind: Puerto Rico and Its Unconventional Rapid Aging." *The Gerontologist*, edited by Suzanne Meeks, vol. 62, no. 7, Oxford UP (OUP), June 2022, pp. 964-73. Crossref, <https://doi.org/10.1093/geront/gnac082>.

<sup>7</sup> Matos-Moreno, Amílcar, et al. "Migration Is the Driving Force of Rapid Aging in Puerto Rico: A Research Brief." *Population Research and Policy Review*, vol. 41, no. 3, Springer Science and Business Media LLC, Oct. 2021, pp. 801-10. Crossref, <https://doi.org/10.1007/s11115-021-09683-2>.

<sup>8</sup> Cordero Mercado, David. "Nivel crítico de nacimientos impide reemplazo generacional en Puerto Rico." *El Nuevo Día*, 6 enero 2024. <https://www.elnuevodia.com/noticias/locales/notas/puerto-rico-alcanza-nivel-critico-de-baja-en-natalidad/>

# WHO WOULD BENEFIT MOST FROM UPWARD ECONOMIC MOBILITY STRATEGIES?

**Achieving a significant increase in upward economic mobility will benefit all of Puerto Rico.** The increased economic opportunities should lead to a decrease in outmigration, helping mitigate rapid aging of the population. Improved educational outcomes and skills attainment, as well as policy incentives to work, would lead to a stronger workforce and talent pool. The increased economic capacity of families and individuals would result in more spending, higher return on investments and a generally stronger economy. The government would also reap rewards. Improved health, an increase in labor force participation and employment would imply cost savings and an expanded tax revenue base.

Immediately, we estimate that economic mobility strategies would be targeted at creating opportunities for around 1.62 million individuals in Puerto Rico who live in or near poverty.<sup>9</sup>

**Within that group, there are a series of sub-groups that merit special attention:**

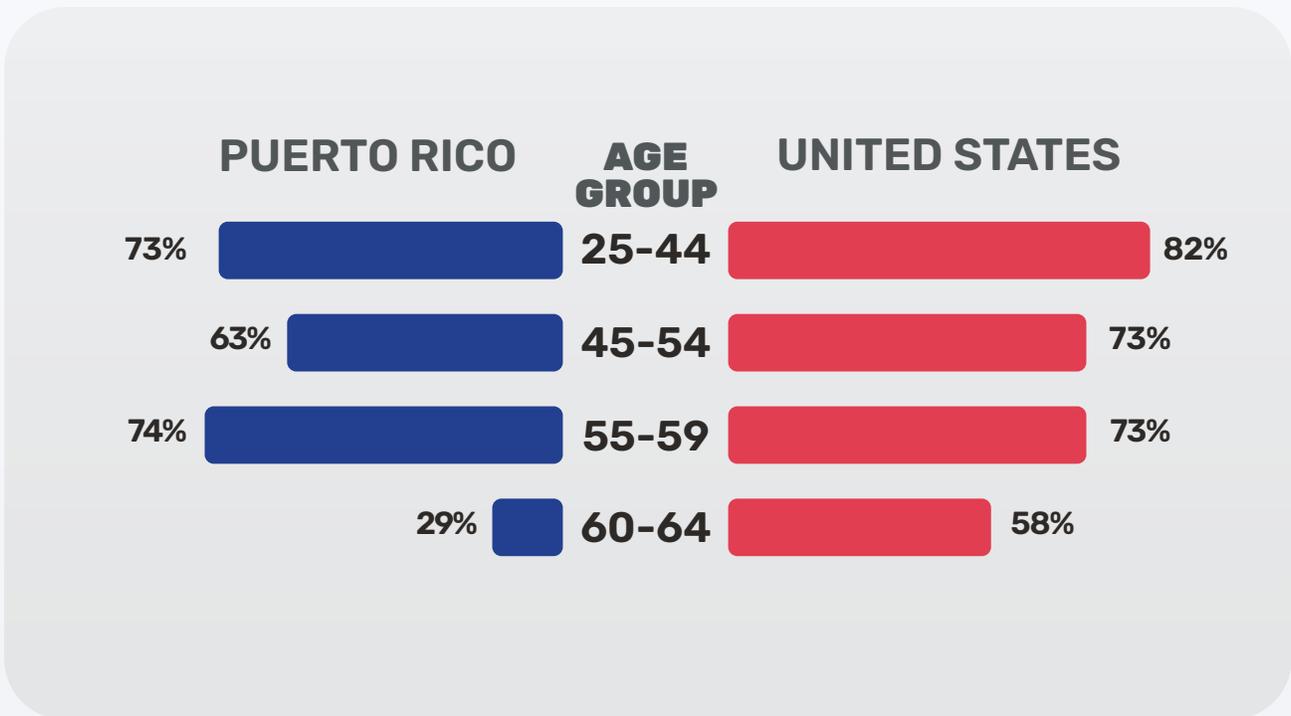
⇒ **Children and their families, particularly female-headed households-children are most disproportionately impacted by poverty, and they live in poverty because they live within poor households.** Children 18 years and below comprise 9.2% of Puerto Rico's (total/impooverished) population and over half of them live below the poverty line. Mainly, those households with children that are most impacted by poverty are led by women. 75% of families headed by women were poor, as compared to 34% of married couples with children.<sup>10</sup>

---

<sup>9</sup> At 125% poverty rate

<sup>10</sup> "Children of Female-Headed Families in Poverty," KIDS COUNT Data Center, The Annie E. Casey Foundation, May 2023, <https://datacenter.aecf.org/data/tables/3696-children-of-female-headed-families-in-poverty>.

⇒ **Working-age adults, particularly those above 45:** - 36.6% of 35- to 64-year-olds live under the poverty threshold. This represents the biggest group in numbers- 451,631. This number includes working-age adults with children. Moreover, older adults participate in the labor force (working or looking for work) at lower rates than other groups, particularly compared to their counterparts in the United States. When looking at age groups between 25 and 44, the labor force participation is, on average, 73%, only lagging 9 percentage points from the United States counterparts. At age 45, the proportion of adults in the labor force drops. For the 45-54 age group, it decreases to 64% as compared to 81% of the U.S. labor force; for ages 55-59, it drops further to 47% as compared to 73% in the United States; and by age 60-64, only 29% of the adults are part of the workforce, as opposed to 58% of the adults of this age group in the United States.<sup>11</sup>



<sup>11</sup>Financial Oversight and Management Board for Puerto Rico. Fiscal Plan for the Commonwealth of Puerto Rico - Volume 1. Certified as of April 3, 2023, p. 16, Exhibit 6.

⇒ **Opportunity Youth:** “Opportunity youth” is a term used to describe the segment of young people between 16 and 24 who are neither working nor in school. This group is relevant given the odds that this population has for achieving upward economic mobility, given its trajectory. In Puerto Rico, in 2022, 13% of youth ages 16 to 19 were not in school or working, as opposed to 7% of the United States population. This represents an estimated 21,000 young people.<sup>12</sup> Moreover, youth in this age group participate in the labor force at a much lower rate (14%) than their counterparts of the United States (38%).<sup>13</sup>

## Youth in Puerto Rico ages 16 to 19 (2022)

13%

Were not in school  
or working

14%

Participated in the labor force.  
This is a much lower rate,  
compared to their counterparts  
of the United States at 38%.

⇒ **Families and individuals residing in the central and southern regions of the Island:** While poverty in Puerto Rico is widespread, certain regions experience higher rates of poverty. The 10 municipalities with the highest poverty rates are in the central mountainous or southern areas. The poverty rates in those towns range from 66% in Güánica to 55% in Ciales.<sup>14</sup>

<sup>12</sup> “Teens Ages 16 to 19 Not Attending School and Not Working.” KIDS COUNT Data Center, The Annie E. Casey Foundation, November 2023. <https://datacenter.aecf.org/data/tables/7261-teens-ages-16-to-19-not-attending-school-and-not-working>.

<sup>13</sup> KIDS COUNT Data Center, “Children of Female-Headed Families in Poverty.”

<sup>14</sup> Junta de Planificación de Puerto Rico. Resumen Económico de Puerto Rico – Septiembre 2022. Septiembre 2022.

# THE OPPORTUNITY

Puerto Rico is facing a period of economic growth, as evidenced by a series of indicators:

- ⇒ **Puerto Rico is experiencing a historically low unemployment rate—at 5.7% in January of 2024.**<sup>15</sup> As a comparison, the unemployment rate of the archipelago averaged 14.22% between 1976 and 2023.
- ⇒ **Labor force participation is also up to 44.8% in January 2024, compared to an all-time low of 38.5% following Hurricane Maria (October 2017).**<sup>16</sup> Although this demonstrates an upward trend, it is not as marked as the unemployment rate.
- ⇒ **The Economic Activity Index has been steadily increasing.** This Index, developed by the Puerto Rico Economic Development Bank, has four components: nonagricultural wage employment, cement sales, gasoline consumption, and electricity generation. As of the end of 2023, it had shown growth for three years in a row.<sup>17</sup>
- ⇒ **More businesses are being created.** 2023, there was a marked increase in business creation, with 5,264 establishments created, for a total of 50,792 establishments. Most of these businesses - 95% are small and medium-sized,<sup>18</sup> and present the opportunity for continued job creation.
- ⇒ **Jobs have been added.** Between 2021 and 2023, 74,000 jobs were added to the archipelago's economy. Employment has steadily increased since 2021.<sup>19</sup> According to the BLS and seasonally adjusted employment data by calendar year, employment grew in 2021, 2022, and 2023 by 6.4%, 3.6%, and 0.8%.

---

<sup>15</sup> Bureau of Labor Statistics, U.S. Department of Labor. "Economy at a Glance: Puerto Rico." Bureau of Labor Statistics, U.S. Department of Labor, Data Extracted on: March 22, 2024, <https://www.bls.gov/eag/eag.pr.htm>.

<sup>16</sup> "Puerto Rico Labor Force Participation Rate." TRADING ECONOMICS, [tradingeconomics.com/puerto-rico/labor-force-participation-rate](https://tradingeconomics.com/puerto-rico/labor-force-participation-rate).

<sup>17</sup> Economic Development Bank for Puerto Rico. The Puerto Rico Economic Activity Index (EDB-EAI) Revised Results for December 2023. February 5, 2024, [www.bde.pr.gov](http://www.bde.pr.gov).

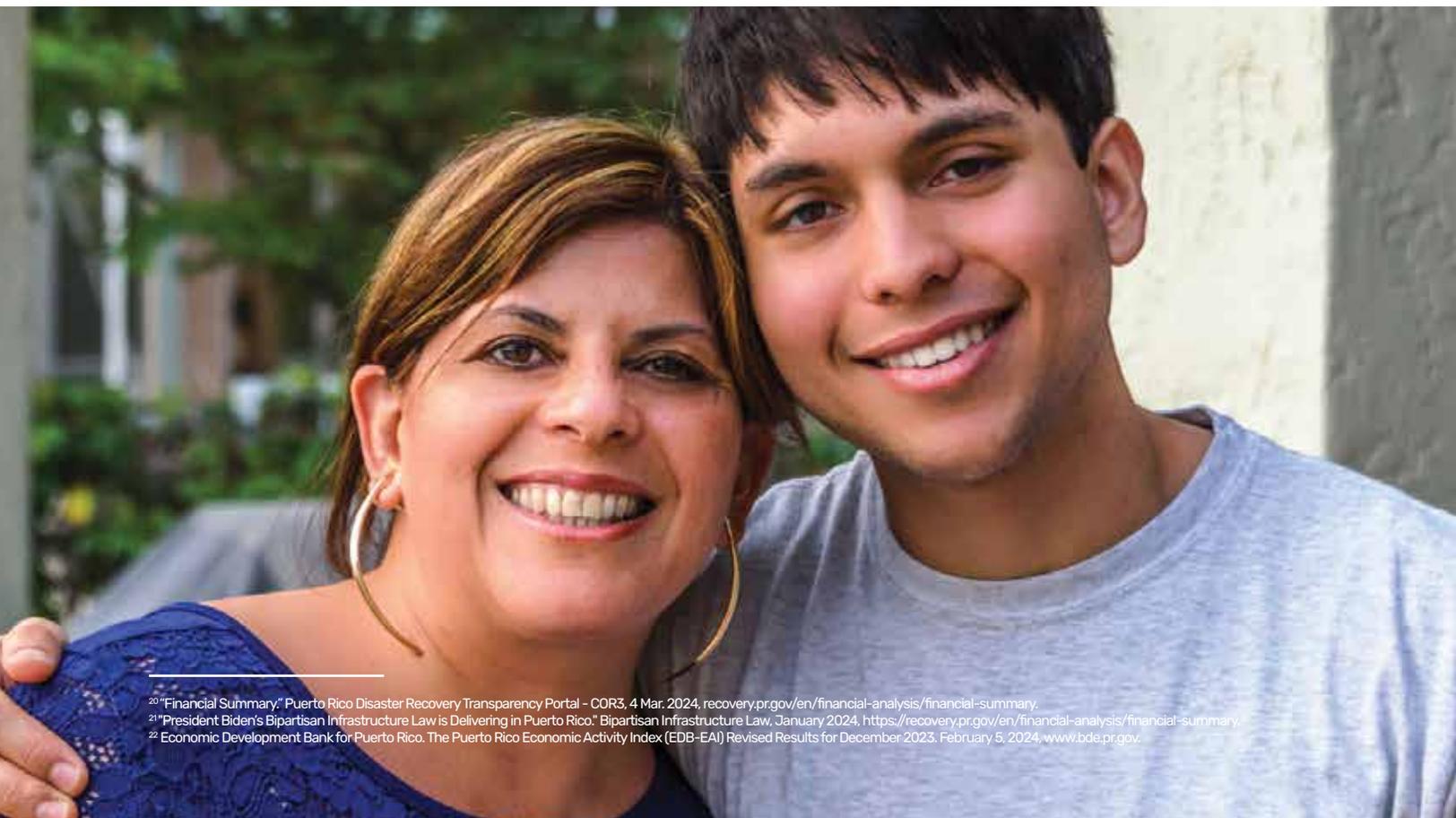
<sup>18</sup> Notiseis360pr. "Puerto Rico Presenta Terreno Fértil En Todos Sus Indicadores Económicos." WIPR, 28 Dec. 2023, [wipr.pr/puerto-rico-presenta-terreno-fertil-en-todos-sus-indicadores-economicos/](http://wipr.pr/puerto-rico-presenta-terreno-fertil-en-todos-sus-indicadores-economicos/).

<sup>19</sup> Parés Rosado, Elda I., and Elena Ortiz Rivera. "Empleo Asalariado No Agrícola." Departamento del Trabajo y Recursos Humanos, Jan. 2024, p. 2, [www.trabajo.pr.gov](http://www.trabajo.pr.gov).

**Most of this growth is likely fueled by recent influxes of federal recovery funding—a commitment of \$85 billion – in the wake of Hurricane Maria and the COVID-19 pandemic.<sup>20</sup> Of these \$85 billion committed dollars, roughly 37% have already been disbursed.** Puerto Rico is also slated to receive approximately **\$2 billion<sup>21</sup>** over five years through the Bipartisan Infrastructure Law. As a comparison point of what this represents for the Puerto Rican economy, in 2022, Puerto Rico's GNP was \$77.9 billion.<sup>22</sup>

Simultaneously, while these indicators are promising **and the influx of federal funding significant, poverty rates are not budging.** Between 2021 and 2022, the poverty rates increased slightly for the general population (from 40.5% to 41.7%) and 54.9% to 57.6% for children. This signals a deeper structural issue in which economic growth is not leading to absolute upward economic mobility.

**Hence, these funds- which are temporary and are not projected to last- need to be leveraged to invest in long-term policies and programs that will lead to increased economic mobility and well-being for all.**



<sup>20</sup> "Financial Summary," Puerto Rico Disaster Recovery Transparency Portal - COR3, 4 Mar. 2024, [recovery.pr.gov/en/financial-analysis/financial-summary](https://recovery.pr.gov/en/financial-analysis/financial-summary).

<sup>21</sup> "President Biden's Bipartisan Infrastructure Law is Delivering in Puerto Rico," Bipartisan Infrastructure Law, January 2024, <https://recovery.pr.gov/en/financial-analysis/financial-summary>.

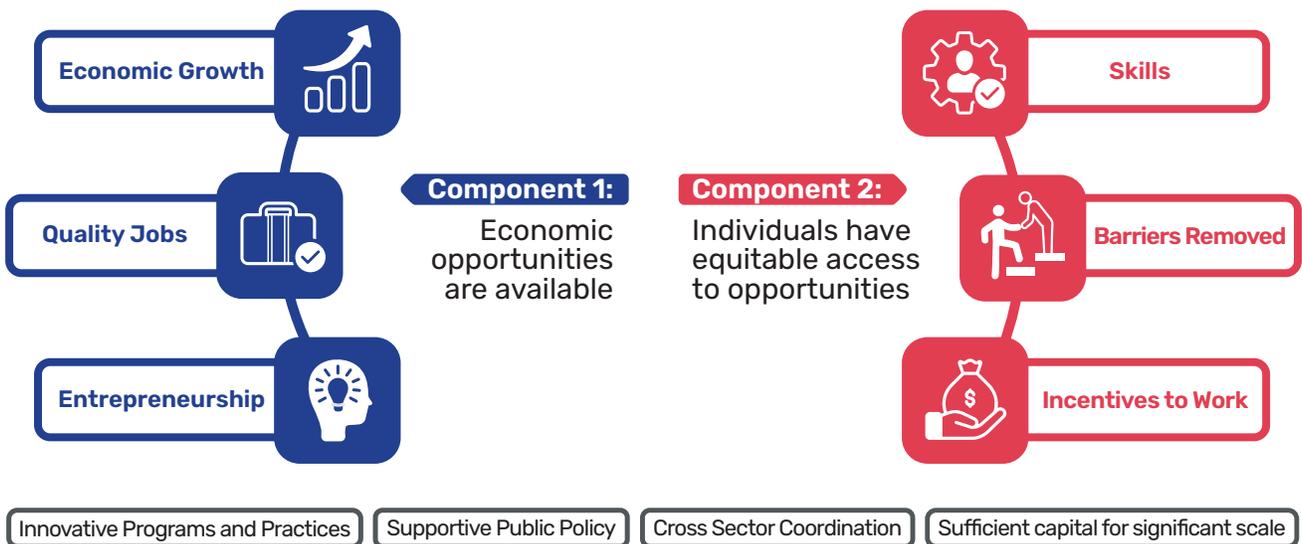
<sup>22</sup> Economic Development Bank for Puerto Rico. The Puerto Rico Economic Activity Index (EDB-EAI) Revised Results for December 2023. February 5, 2024, [www.bde.pr.gov](http://www.bde.pr.gov).

# A FRAMEWORK FOR UPWARD ECONOMIC MOBILITY IN PUERTO RICO

Achieving upward economic mobility on a scale will not be achieved by the silver bullet of job creation, nor will it be the result of standalone social programs. In this evidence-informed framework, we present two necessary and overarching components—**one, economic opportunities are available, and two, individuals have equitable access to those opportunities.** We also present goals under each one of these components.

In addition to identifying the components necessary for upward economic mobility at scale, we highlight how systemic dynamics can enable or stifle those components. We hence focus on four enabling pillars: capital, public policy, innovation, and coordination. The framework highlights the most prominent components and areas according to the literature and the documented challenges of Puerto Rico but is by no means exhaustive. This work aims to call attention to the fact that economic mobility will require a variety of simultaneous strategies and to highlight the importance of a variety of cross-sector actors and systems-level solutions to achieve the ambitious yet urgent outcome of increased economic mobility in Puerto Rico.

## PUERTO RICO'S UPWARD ECONOMIC MOBILITY FRAMEWORK





## COMPONENT 1: ECONOMIC OPPORTUNITIES ARE AVAILABLE

### *SDG Objective Alignment:*

⇒ **SDG 8: Promote sustained, inclusive, and sustainable economic growth, full and productive employment, decent work for all, and some of the targets of that goal.**

For this framework, we define economic opportunity as the opportunity individuals must generate sufficient income to meet their needs sustainably and grow in their careers and earning potential. Based on Brookings Institute Opportunity Industries research, **we are specifically interested in "good" and "promising" opportunities.** Good opportunities provide stable employment, middle-class wages, and benefits, and promising opportunities are entry-level opportunities for most workers to achieve stability and benefits within 10 years.<sup>23</sup>

### **The three goals that we identify as necessary for this component to be realized are:**

- 1** Economic growth that leads to job creation.
- 2** Sufficient high-quality jobs available.
- 3** Opportunities for entrepreneurship.

### ***What are SDG's?***

*The Sustainable Development Goals (SDGs), also known as the Global Goals, were adopted by the United Nations in 2015 as a universal call to action to end poverty, protect the planet, and ensure that by 2030 all people enjoy peace and prosperity. The 17 SDGs are integrated—they recognize that action in one area will affect outcomes in others, and that development must balance social, economic and environmental sustainability.*

<sup>23</sup>Shearer, Chad, and Isha Shah. "Opportunity Industries." Brookings Institution, 18 Dec. 2018. [www.brookings.edu/articles/opportunity-industries/](http://www.brookings.edu/articles/opportunity-industries/).

## COMPONENT 1: ECONOMIC OPPORTUNITIES ARE AVAILABLE

### ***Goal 1: Economic growth that leads to job creation***

When considering the main strategies for upward economic mobility, the U.S. Partnership on Mobility from Poverty highlights the necessity of economic growth: "The broader economic and policy context in which people strive to move forward also greatly influences their prospects. A growing economy with expanding job opportunities offers more chances for mobility out of poverty". The importance of economic growth is also validated in the U.N.'s Sustainable Development Goals Framework, where "Sustainable Economic Growth" is the first target under SDG 8 and is described as "Sustain per capita economic growth by national circumstances and, in particular, at least 7% gross domestic product growth per annum in the least developed countries."

Economic growth is often regarded as an important driver of economic mobility because it is presumed that it leads to increased job availability, but economic analyses have found that it does not always achieve this result.<sup>24</sup> The extent to which economic growth leads to job creation depends on several variables, including the labor intensity of the growing sectors.

In terms of economic activity, as of 2022 the top 5 industries in Puerto Rico were manufacturing, real estate, retail trade, finance and insurance and government. The ones experiencing the most growth over the last five years have been professional and scientific services, finance and insurance, real estate and trade, retail trade and information.<sup>25</sup> The vast majority of these industries are labor-intensive, which bodes well for Puerto Rico, in terms of job creation.

The designation of 98% of areas in Puerto Rico as Qualified Opportunity Zones provides new opportunities for investments that create employment. The Opportunity Zones Program is a federal tax incentive for investors in economically distressed areas. This federal incentive is coupled with commonwealth level legislation that provides tax exemption. It is early to tell whether Opportunity Zones in Puerto Rico and other US locations will deliver on the promise of job creation and reduced poverty, but initial research is promising.<sup>26</sup> As of 2023, there were 42 applications for these investments in Puerto Rico, and three had been approved and in construction phase.

<sup>24</sup> International Monetary Fund. IMF Research Bulletin, vol. 17, no. 3, Sept. 2016, [www.imf.org/External/Pubs/FT/irb/2016/03/index.pdf](http://www.imf.org/External/Pubs/FT/irb/2016/03/index.pdf).

<sup>25</sup> "The Foundation for Puerto Rico's Economy." Financial Oversight and Management Board for Puerto Rico, 18 Oct. 2023. [oversightboard.pr.gov/the-foundation-for-puerto-ricos-economy](https://oversightboard.pr.gov/the-foundation-for-puerto-ricos-economy).

<sup>26</sup> Fikri, Kenan, and Benjamin Glasner. Are Opportunity Zones Working? What the Literature Tells Us. October 2023.

## COMPONENT 1: ECONOMIC OPPORTUNITIES ARE AVAILABLE

### ***Goal 2: There are enough high-quality jobs available***

There is consensus that the quality of those jobs created matters greatly. Even plentiful, low-wage opportunities that do not offer opportunities for career advancement might not lead to enough financial security or benefits for individuals to move up the economic ladder.

According to ***Work Rise***, some of the most notable aspects that determine the quality of a job include pay, benefits, working conditions, business culture and job design, and on-the-job training.<sup>27</sup> Their research has found that the aspects that more strongly correlate with upward economic mobility are those that "allowed them (workers) to build their human capital through the new skill acquisition." This includes jobs that provide benefits such as tuition assistance, have clearly defined career paths, and provide on-the-job training—particularly cross-training and advancement training and education.

Another critical aspect to consider when looking for quality jobs is whether the opportunities are full- or part-time. A literature review suggests that full-time work is more effective than part-time work in reducing poverty, mainly because "many who work part-time lose access to public assistance programs but do not gain enough earnings to offset the loss of benefits."<sup>28</sup>

Although further research needs to be done regarding high-quality employment in Puerto Rico, data suggests that these jobs are limited, with most jobs being of low pay and in potentially vulnerable industries such as hospitality and retail. **The top 10 occupations in Puerto Rico in 2019 by the total number of persons employed show that the largest share of the population is mainly in low-paying jobs and those that do not necessarily require a post-secondary degree. In 2019, the annual average salary for these jobs ranged between \$19,000 to \$40,000. In contrast, that same year, the population in the top 10 highest-paying occupations represents less than 1% of the working-age population. These top 10 paying occupations range in annual salary from \$92,000 to \$122,000.**<sup>29</sup>

---

<sup>27</sup> Loprest, Pamela J., et al. "Do Good Jobs Promote Economic Mobility, and If So, How?" WorkRise Network, Urban Institute, 3 Mar. 2021. [www.workrisenetwork.org/working-knowledge/do-good-jobs-promote-economic-mobility-and-if-so-how](http://www.workrisenetwork.org/working-knowledge/do-good-jobs-promote-economic-mobility-and-if-so-how).

<sup>28</sup> Institute for Research on Poverty, Economic Mobility: Memo 2 - Intragenerational Mobility - April 2020, April 2020.

<sup>29</sup> Labandera, E., Santiago, D., and Laurel, J. Higher Education in Puerto Rico: Conditions and Context Influencing Institutional Resilience. *Excelencia in Education*, May 2021, Washington, D.C.

The extent to which available jobs in Puerto Rico are stable and have good wages is also gleaned from *The Economic Mobility of Families with Children in Puerto Rico: Employment Barriers*, an analysis of the main findings of its Socio-economic Survey of Families with Children in Puerto Rico the recent Socio-Economic Survey of Families with Children in Puerto Rico (ESEFAM) by Instituto del Desarrollo de la Juventud (IDJ). This survey delved into the barriers to employment for heads of low-income households with children. Some of the most reported barriers to work were inconvenient, variable, or difficult-to-anticipate schedules (74%) and low wages (70%).

Although the data we do have on job quality in Puerto Rico suggests this is an area for improvement, we do see potential in the ability of some of the growing industries, as well as those that the government is focused on attracting: bioscience, aerospace, information technology, agroindustry, and tourism, to provide good and promising opportunities if the government and employers can work together to intentionally create career pathways for mobility in each industry.

## COMPONENT 1: ECONOMIC OPPORTUNITIES ARE AVAILABLE

### ***Goal 3: There are opportunities for entrepreneurship***

Being employed by others is not the only economic opportunity that can lead to upward mobility. Although the literature around the potential of entrepreneurship for upward economic mobility is mixed, some evidence suggests that self-employment through entrepreneurship can lead to an increase in the earnings distribution of low-income individuals and faster earnings growth than their wage/salary counterparts.<sup>30</sup>

However, there is limited literature on the impact of self-employment on intergenerational mobility, and poverty in general. The existing literature suggests that a blanket approach to promoting entrepreneurship as a panacea for poverty reduction or economic mobility will not be effective. Instead, it has been found that the type of entrepreneurship makes a significant difference. Most notably, a 2020 study found that entrepreneurship in tradeable industries reduces poverty and increases the income of even non-entrepreneurs. However, entrepreneurship in non-tradeable sectors will lead to market saturation that has little positive effects and, at times, could have adverse effects.<sup>31</sup>

---

<sup>30</sup> McKernan, Signe-Mary, and Hal Salzman. "Self-Employment and Economic Mobility." The Urban Institute. [www.urban.org/sites/default/files/publication/31196/1001164-self-employment-and-economic-mobility.pdf](https://www.urban.org/sites/default/files/publication/31196/1001164-self-employment-and-economic-mobility.pdf). Accessed 20 Mar. 2024

<sup>31</sup> Lee, N., & Rodríguez-Pose, A. (2021). Entrepreneurship and the fight against poverty in U.S. cities. *Environment and Planning A: Economy and Space*, 53(1), 31-52. <https://doi.org/10.1177/0308518X20924422>

Hence, not all forms of entrepreneurship will be suitable for providing individuals with upward mobility economic opportunities. It is important to consider that enterprises originating in the context of economic scarcity usually have the disadvantage of "venture fragility," which encompasses the ability to handle expenses, generate profits, and raise external funding. This means that public policies and entrepreneurship programs to leverage entrepreneurship must address these challenges and provide specific support to ensure success.<sup>32</sup>

A review of the characteristics of entrepreneurs in Puerto Rico suggests that entrepreneurship activity is concentrated in those with certain advantages. **According to the Global Entrepreneurship Monitor: Puerto Rico National Report for 2022, the Island occupies the 8th place out of 49 among entrepreneurs with a higher education degree. This indicator could explain why 68.9% of respondents indicated they knew to undertake a business endeavor. In the case of established ventures, the proportion of graduate to non-graduate entrepreneurs remains the same, although with a minor difference. Puerto Rico is 37 out of 49 among established ventures operated by graduates. The high concentration of new entrepreneurs with a higher education degree could indicate that new ventures are rising in response to the perception of attractive business opportunities rather than out of necessity because graduates are more likely to have well-paying jobs. Other surveys also suggest that up to 86% rely on personal savings to finance their businesses.**<sup>33</sup>

Nonprofit programs geared towards promoting entrepreneurship have the potential of removing some of the barriers more commonly faced by low-income individuals. Examples are Project Makers, Centro Para Emprendedores, Centro Para Puerto Rico, which specifically tailors their program to youth and adults in disadvantaged communities. The entrepreneurship space has also been leveraging recovery funding for economic mobility using CDBG-DR funding. Of the 30 CDBG-DR-funded entrepreneurship programs, roughly one-third of these initiatives are geared toward low-income individuals and communities. It will be essential to document and evaluate the effectiveness of these programs in promoting upward economic mobility.

---

<sup>32</sup> Morris, Michael H. et al. "Drivers of fragility in the ventures of poverty entrepreneurs." *Small Business Economics* vol. 611 (2023): 305–323. doi:10.1007/s11187-022-00687-6

<sup>33</sup> Colmena66. Impact Report Resumen 2022. 2023. [www.colmena66.com/wp-content/uploads/2023/07/Impact-Report-Resumen-2022-Rev1.pdf](http://www.colmena66.com/wp-content/uploads/2023/07/Impact-Report-Resumen-2022-Rev1.pdf).

Beyond providing an opportunity for self-employment that could lead to upward economic mobility, entrepreneurship also presents an opportunity for job creation,<sup>34</sup> however, their ability for increased and sustained job creation, especially quality job creation, will depend on the extent to which they can grow. In general, there has been a rapid rise in the number of Puerto Ricans that plan to undertake entrepreneurial activities. The percent of Puerto Ricans that intended to undertake entrepreneurship increased from 13.1% in 2013, to 27.3% in 2022.<sup>35</sup> In addition to the recently created incubators, Puerto Rican entrepreneurs have the support of organizations such as Guayacán, Parallel 18 and most recently, Endeavor. These organizations incubate, grow, and accelerate companies, providing seed capital, and support to undertake the numerous barriers that they face. According to the Global Entrepreneurship Monitor, Puerto Rico's entrepreneurial context faces a host of barriers, most notably: bureaucracy, tax policy and regulation; barriers entering the market; and availability of financing.



---

<sup>34</sup> Badal, Sangeeta, Ph.D. "Entrepreneurship and Job Creation: Leveraging the Relationship." Gallup Inc., 2010.

<sup>35</sup> Calderón-Abreu, Theany, et al. "Informe Nacional de Puerto Rico 2022 – Global Entrepreneurship Monitor (GEM)." Universidad de Puerto Rico, Recinto de Río Piedras, 2022. Web. Accessed March 20, 2024.

## COMPONENT 2: INDIVIDUALS CAN CONNECT TO ECONOMIC OPPORTUNITIES

*SDG Alignment:*

### #4 Quality Education

- ⇒ Equitable and quality primary and secondary education.
- ⇒ Access to quality early childhood development.
- ⇒ Substantial increase in the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs, and entrepreneurship.

### #3 Good Health and Well-Being

### #10 Reduced Inequalities

- ⇒ Fiscal, wage and social protection policies.
- ⇒ Progressively achieve greater equality.

### #11 Sustainable Cities and Communities

Economic growth, job creation, and opportunities for entrepreneurship are necessary but insufficient for upward economic mobility at scale. We are currently seeing how, despite job creation and the lowering of unemployment rates in Puerto Rico, poverty rates remain stagnant. This is consistent with what has been found in cities across the United States, where there has been a boom in new jobs. In many of these cities, longtime residents who have lived in poverty are not accessing jobs, but rather, the new industries are attracting highly skilled talent from other areas.<sup>34</sup>

It is important to devise short-term strategies to ensure that adults, especially those identified as priority groups—parents and older

adults living in or near poverty—can connect to those opportunities. Longer-term strategies should also ensure that children currently living in precarious economic conditions can have the skills and resources to connect to those opportunities when they are adults.

### The three goals that we identify as necessary for this component to be realized are:

- 1 People have skills and competencies that will allow them to access good and promising economic opportunities.
- 2 Barriers to opportunities are removed.
- 3 People have incentives to pursue economic opportunities.

<sup>34</sup> Badal, Sangeeta, Ph.D. "Entrepreneurship and Job Creation: Leveraging the Relationship." Gallup Inc., 2010.

<sup>35</sup> Calderón-Abreu, Theany, et al. "Informe Nacional de Puerto Rico 2022 – Global Entrepreneurship Monitor (GEM)." Universidad de Puerto Rico, Recinto de Río Piedras, 2022. Web. Accessed March 20, 2024.

<sup>36</sup> "Job Growth Is Found to Be No Cure for a Community's Poverty | AP News." AP News, 18 Oct. 2018. [apnews.com/article/5e7963d455dc4e0f9f64a81ec3d49255/gallery/media52286729ce6c4d79b8e78971eb64256b](https://www.apnews.com/article/5e7963d455dc4e0f9f64a81ec3d49255/gallery/media52286729ce6c4d79b8e78971eb64256b).

## COMPONENT 2: INDIVIDUALS CAN CONNECT TO ECONOMIC OPPORTUNITIES

### ***Goal 1: People have skills and competencies that will allow them to access economic good and promising opportunities***

If the economy is growing and jobs that provide opportunities for economic mobility are created, people must have the skills necessary for those jobs. In Puerto Rico's case, the industries currently being prioritized in the government's strategic framework for economic development are primarily industries that typically require a highly skilled workforce – especially in the sciences– such as bioscience, aerospace, information technology, and agroindustry. In addition to these areas, infrastructure investments and the push for clean energy will also require specific skills. In the short term, skills and competencies can be developed through skills training and workforce development programs. However, when designing a longer-term perspective on upward economic mobility, it is crucial to consider the extent to which the pipeline of formal education– that starts in preschool and ends in post-secondary studies– enables individuals to access good and promising opportunities for mobility. Hence, under this goal, we pay attention to the following four areas:



1. Early childhood education



3. Post-secondary education



2. K-12 education



4. Workforce development systems

**1 Early childhood education:** When we refer to early childhood education, we refer to preschool, which focuses on the formal education process during ages 2 to 5. Multiple studies have found a link between quality preschool education and academic achievement in kindergarten and throughout a student's academic career <sup>37</sup>. As such, it has been found that it eventually increases the likelihood of a person having higher educational attainment and earnings. This effect is more substantial for children in poverty, solidifying the importance of the foundation of early childhood education in an individual's upward economic mobility. It has been found that the skills needed for jobs in the new economy include social skills, communication

<sup>37</sup> Magnuson, K. A., et al. "Do the Effects of Early Childhood Education Programs Differ by Gender? A Meta-Analysis." *Early Childhood Research Quarterly*, vol. 36, 2016, pp. 521–536. <https://doi.org/10.1016/j.ecresq.2015.12.021>.

skills, and others that support interpersonal relationships and collaboration. The foundation of this type of skills is usually set out in the early years, making this stage critical not just for academic skills but also for the interpersonal skills that employers require.<sup>38</sup>

Currently, 58% of Puerto Rico's children ages 3 and 4 are enrolled in preschool, making Puerto Rico one of the U.S. jurisdictions with the highest enrollment rates in this group. This still means that 23,000 children in this age group are not receiving this critical foundation for their educational trajectory.

**2 K-12 education:** The quality of K-12 education has been found to impact students' academic performance and college attendance.<sup>39</sup> Researchers have also found links between higher-quality classrooms in kindergarten and higher earnings,<sup>40</sup> particularly for children living in poverty. They have also found links between school infrastructure and health, affecting attendance and performance.<sup>41</sup> Using standardized test scores as a proxy of student learning, we can assess that Puerto Rico's K-12 public education system is underperforming, particularly in the Science and Math skills needed for the industries the government wants to promote. In 2022-2023, META scores (state standardized assessment) revealed that:

- ⇒ Less than a quarter, or 23%, were proficient in Math. In Grade 11, this percentage drops to 9%.
- ⇒ 35% were proficient in Spanish, with a decrease of 14 percentage points since 2017 (from 49% in 2017 to 35% in 2022).
- ⇒ 38% were proficient in science.

There are a series of government and nonprofit-based efforts to improve the quality of K-12 education and student outcomes. In 2018, the Law of Education Reform was passed, giving way to a decentralization process, requiring that 70% of its budget go to direct student spending and more controversial measures, such as the creation of charter schools. The nonprofit space is also actively contributing towards improving public education through initiatives such as Coalición Todos a Leer- a multi-sectoral coalition geared towards improving reading by 3rd grade.

<sup>38</sup> Deloitte Global and The Global Business Coalition for Education. Preparing Tomorrow's Workforce for the Fourth Industrial Revolution for Business: A Framework for Action. 14 Sept. 2018. [www.deloitte.com/global/en/issues/work/gx-preparing-tomorrow-workforce-for-the-fourth-industrial-revolution.html](http://www.deloitte.com/global/en/issues/work/gx-preparing-tomorrow-workforce-for-the-fourth-industrial-revolution.html).

<sup>39</sup> Jackson, C. Kirabo, Rucker C. Johnson, and Claudia Persico. "The Effects of School Spending on Educational and Economic Outcomes: Evidence from School Finance Reforms." Quarterly Journal of Economics, vol. 2016, 2016, pp. 157-218.

<sup>40</sup> Chetty, Raj, et al. "How Does Your Kindergarten Classroom Affect Your Earnings? Evidence from Project STAR." Quarterly Journal of Economics, vol. 126, no. 4, 2011, pp. 1593-1660.

<sup>41</sup> Vázquez-Martínez, Alejandro, et al. "Unsafe School Facilities Reinforce Educational Inequities Among Marginalized Students." Brookings, 1 Sept. 2020. [www.brookings.edu/articles/unsafe-school-facilities-reinforce-educational-inequities-among-marginalized-students](http://www.brookings.edu/articles/unsafe-school-facilities-reinforce-educational-inequities-among-marginalized-students).

Another vital aspect of K-12 education, skills acquisition, and upward economic mobility is the availability of quality careers and technical high schools. Research has found that while these types of schools do not always impact academic outcomes—such as college enrollment or completion—they do impact earnings in the long term.<sup>42</sup> The Puerto Rico Department of Education has 116 vocational schools across the Island, with 27,000 students. **In January 2023, a collaborative agreement was signed between DDEC and the Department of Education to work pre-apprenticeship programs providing paid work experience throughout Puerto Rico for students in the specialties of the following programs: Business Administration, Family and Consumer Science, Health Sciences, Agricultural Education, Industrial Education, and Gastronomy, among others. With all that said, the quality of these vocational schools has yet to be formally documented.**

**3 Post-secondary education:** Post-secondary education, notably achieving a bachelor's degree, significantly raises worker earnings, a strong determinant of economic mobility.

Studies show that median annual earnings for people with a bachelor's degree are higher than those with only a high school degree.<sup>43</sup> Further, the earnings advantage for college graduates in the U.S. has increased over the past decade.

Economic growth in Puerto Rico has historically been linked to the rise of schooling, accounting for close to half of the increase in output per worker between 1975 and 2000.<sup>44</sup> Moreover, recent analyses confirm that post-secondary education plays a role in upward economic mobility in Puerto Rico, translating to higher earnings for students from low-income backgrounds.<sup>45</sup>



<sup>42</sup> Kemple, James J., and Cynthia J. Willner. "Career Academies: Long-Term Impacts on Labor Market Outcomes, Educational Attainment, and Transitions to Adulthood." MDRC, 2008.

<sup>43</sup> Ma, Jennifer, Matea Pender, and Meredith Welch. Education Pays: The Benefits of Higher Education for Individuals and Society. College Board, 2019.

<sup>44</sup> Ladd, Helen F., and Francisco L. Rivera-Batiz. "Education and Economic Development: Restoring Growth in Puerto Rico: Overview and Policy Options," edited by Susan M. Collins, Barry P. Bosworth, and Miguel A. Soto-Class, Brookings Institution Press and Center for the New Economy, 2006.

<sup>45</sup> Excelencia in Education Report

Puerto Rico's post-secondary enrollment rate for young people is 55%, higher than the United States's 40%, while 6-year completion rates are lower.<sup>46</sup> This implies broader access but challenges around completion. Notably, recent work has called attention to inequities in post-secondary opportunities that persist in Puerto Rico. According to a report commissioned by ColaborativoPR in 2023, neighborhoods are characterized as Areas of Educational Exclusion in Puerto Rico. **There are neighborhoods with lower educational attainment, where almost half (48% or more) of 18- to 24-year-olds were not enrolled in any educational institution, and more than one in five adults (22% or more) have no high school diploma or GED. These communities face a combination of under-resourced schools, high levels of poverty, and limited economic opportunities.**

Almost one in four young adults (24% or 76,000) live in educationally excluded neighborhoods and experience lower enrollment rates in post-secondary education.<sup>47</sup> This is further aggravated by the fact that the cost of attendance across both public and private universities on the archipelago has been increasing over the last 20 years, and there is a significant gap between the cost of attendance and the financial aid they receive.<sup>48</sup>

Organizations like Aspira, ColaborativoPR, Kinesis, Boys and Girls Clubs of Puerto Rico, and Caras con Causa offer programs geared towards increasing access to post-secondary education in the lowest-income communities. Although some of these programs have promising success data, their scale is not sufficient.

An emerging area crucial in the intersection of post-secondary education and economic mobility is the rise of micro-credentials or stackable credentials, which have emerged as a time-saving and cost-effective method to help learners get recognition for their skills and compete for better-qualified jobs. Universities, community colleges, and adult education programs, including prison education and reentry programs, have experienced notable results in implementing micro-credentials pilot programs in rural communities.<sup>49</sup> The Department of Economic Development and Techforce recently launched a program to help universities integrate stackable credentials in technology, potentially impacting 50,000 students over the next 10 years.

---

<sup>47</sup> Reyes, B. (2023) Renovating Post-Secondary Education by Addressing Social and Educational Exclusion in Puerto Rico. San Juan, PR: ColaborativoPR, Inc.

<sup>48</sup> Labandera, E., Santiago, D., and Laurel, J. Higher Education in Puerto Rico: Conditions and Context Influencing Institutional Resilience. Excelencia in Education, May 2021, Washington, D.C.

<sup>49</sup> Tinsley, B., et al. "Micro-credentials for Social Mobility in Rural Post-secondary Communities: A Landscape Report." Digital Promise, Mar. 2022. <https://doi.org/10.51388/20.500.12265/151>.

**4 Workforce development programs:** Although formal educational institutions such as schools and universities contribute significantly to skills development, there are also a series of opportunities that happen beyond those formal years of schooling and have been identified as having the potential to increase upward economic mobility. In this area, we include occupational preparation that may occur inside formal post-secondary institutions, outside of them, and in the workplace. It also contains active labor market policies – programs and policies that aim to promote labor force participation amongst the underemployed and those who have not been employed. The services can include work-based training, apprenticeships, mentoring, and career coaching.

Workforce development programs that are aligned with the needs of local employers have been shown to be the most effective in promoting upward economic mobility,<sup>50</sup> through initiatives like sector strategies– which are designed in collaboration with employers and train individuals for high-quality jobs in industries that have strong demand.<sup>51</sup> These programs have evidence of increasing earnings, resulting in absolute upward economic mobility.<sup>52</sup> Despite the potential of workforce development programs for upward economic mobility, an analysis published in April 2024 by Instituto del Desarrollo de la Juventud- A Radiography of Puerto Rico’s Workforce Development System found significant areas of improvement for this system. Some of the outstanding themes from this analysis are:

- ⇒ There was a lack of integration and coordination between different components of the system, particularly workforce development programs housed in various government agencies—including WIOA, Housing, and CDBG-DR-funded efforts. They also found this to be the case for youth workforce development programs, which were scattered across four different public agencies.
- ⇒ Several notable public institutions are a collaboration of academia, the private sector, and the government, such as Escuela de Troquelaría y Herramientaje and the Puerto Rico Aviation Maintenance Institute.

---

<sup>50</sup> Institute for Research on Poverty, Economic Mobility: Memo 2 - Intragenerational Mobility - April 2020, April 2020.

<sup>51</sup> Schaberg, Kelsey, "Sector Strategies for Success: Meeting the Needs of Workers and Employers." Ideas and Evidence 2021, MDRG, November 2020, [www.mdrc.org](http://www.mdrc.org).

<sup>52</sup> Holzer, Harry J. "Good Workers for Good Jobs: Improving Education and Workforce Systems in the U.S." IZA Journal of Labor Policy, vol. 1, no. 1, Walter de Gruyter GmbH, Nov. 2012. Crossref. <https://doi.org/10.1186/2193-9004-1-5>.

- ⇒ Limited evaluations of impact of publicly funded workforce programs.
- ⇒ There is a need to strengthen alignment between workforce development programs and the seven emerging sectors that are a part of the government's strategic framework for economic development: bioscience, aerospace, agroindustrial, tourism/visitors' economy, information technology, and local enterprises.
- ⇒ A weakness of the current WIOA offerings is that many do not lead to industry credentials.

## COMPONENT 2: INDIVIDUALS CAN CONNECT TO ECONOMIC OPPORTUNITIES

### **Goal 2: Barriers to opportunities are removed**

Accessing economic opportunities is about more than having the proper set of skills. Those trying to enter the workforce or grow in their careers often have a series of barriers that prevent them from accessing and sustaining employment. Some of the literature's most cited barriers to work include work-family conflicts, such as balancing caregiving responsibilities, and individual well-being barriers, including physical and mental health challenges.<sup>53</sup> In addition, the literature has also frequently identified transportation to and from opportunities, including employment and post-secondary education, as a barrier. In this sense, this component considers factors that are both causes and drivers of economic precarity, focusing on themes that have stood out as being more prevalent in Puerto Rico.



Quality childcare  
(including after  
school)



Transportation



Health

⇒ **Quality Childcare, including after school:** In this area, we include not just childcare in the early years, which certainly is a well-documented challenge for families, but also childcare outside of school hours and institutional and home-based childcare options. Studies have validated the importance of a variety of childcare options for mothers in a multitude of settings. A review of research found that access to childcare led to increased labor force participation for women.<sup>54</sup>

<sup>53</sup> Galeano, Sergio, John Rees, and Elizabeth Bogue Simpson. "Worker Voices Special Brief: Barriers to Employment." Federal Reserve System, November 2023, [fedcommunities.org/workervoices](https://fedcommunities.org/workervoices).

<sup>54</sup> "Access to Childcare to Improve Women's Economic Empowerment | the Abdul Latif Jameel Poverty Action Lab." The Abdul Latif Jameel Poverty Action Lab (J-PAL), 1 Feb. 2023, [www.povertyactionlab.org/policy-insight/access-childcare-improve-womens-economic-empowerment](https://www.povertyactionlab.org/policy-insight/access-childcare-improve-womens-economic-empowerment).

Recent research from Instituto del Desarrollo de la Juventud validates that finding after-school childcare was a main challenge for most low-income mothers in Puerto Rico (72%) in accessing work or increasing their hours of work.<sup>55</sup> It also validated the need for options for children in the early years, with 82% of mothers with preschool-aged children citing childcare as one of the main barriers to work.

Childcare access also disproportionately affects some municipalities, and a recent government analysis showed that 53 municipalities are classified as childcare deserts. The clustering of these municipalities coincides with poverty level trends, with a significant proportion of municipalities in the central, southern, and eastern regions categorized as childcare deserts.<sup>56</sup>

## ANALYSIS OF DESERTED AREAS UNDER THE CHILD CARE PROGRAM IN PUERTO RICO (2023)

*Map 2. Identification of deserted areas and deserted areas for the Child Care program*



An influx in federal funds through the American Rescue Plan and the Elementary and Secondary School Emergency Relief Fund (ESSER) has allowed the government of Puerto Rico to expand childcare options. In 2023, 18,000 families received childcare vouchers; 1,500 subsidized spots in childcare centers increased. In addition, the majority of public schools are currently offering after-school programs, and the government has reported that approximately 55,000 students benefited from this in 2023.<sup>57</sup>

<sup>55</sup> Arroyo Quijano, Caridad, et al. "The Economic Mobility of Families with Children in Puerto Rico: Employment Barriers." Instituto del Desarrollo de la Juventud, 7 Sept. 2023, juventudpr.org.

<sup>56</sup> Administración para el Cuidado y Desarrollo Integral de la Niñez (ACUDEN). Análisis de Áreas Desiertas de Servicios de Child Care en Puerto Rico. 26 May 2023, STRATSOL INC., San Juan, Puerto Rico.

<sup>57</sup> Hora, Primera. "Departamento de Educación Implementa Horario Extendido de Clases en 619 Escuelas." Primera Hora, 17 Jan. 2024, [www.primerahora.com/noticias/puerto-rico/notas/departamento-de-educacion-implementa-horario-extendido-de-clases-en-619-escuelas](http://www.primerahora.com/noticias/puerto-rico/notas/departamento-de-educacion-implementa-horario-extendido-de-clases-en-619-escuelas).

It should be noted that while these are positive gains, the survey data of Instituto del Desarrollo de la Juventud 2023- which is concurrent to the availability of these programs- still shows that childcare is a significant hurdle for low-income mothers. It is also imperative to identify sources of funding for these expansions once pandemic-driven federal funding dwindles.

⇒ **Transportation:** Individuals often need help getting to and from work, especially when jobs are far from their communities. Studies have found that communities in the United States with limited access to public transit are associated with higher levels of unemployment and less economic mobility.<sup>58</sup> As such, it shouldn't be surprising that a body of literature has found that owning a vehicle improves job accessibility.<sup>59</sup>

Instituto del Desarrollo de la Juventud's recent survey of low-income families also reflects these trends in Puerto Rico. Two-thirds of those heads of households who were not working cited access to jobs as a primary barrier to entering the workforce, saying they lacked transport options or because the available jobs were too far from where they resided. Although Puerto Rico offers limited public transit options, other studies found that those who use public transit have 66% more commuting time than their counterparts who use private transportation, that access to public transit is inequitable throughout the Island, and that only 2.7% of the population utilizes public transit.<sup>60</sup>

⇒ **Health:** Economic insecurity and poverty have been extensively correlated to poorer physical and mental health, but a body of work also shows that those physical and mental health conditions can lead to further exclusion from economic opportunities.<sup>61</sup> In this way, poor physical and mental health has been found to cause a poverty trap in which illness leads to less work and less educational attainment, reinforcing the condition of poverty.<sup>62</sup> In turn, having poor physical and mental health is also associated with lower chances of escaping poverty. Studies have found a health-poverty trap caused by the loop between illness, less work, and less educational attainment.<sup>63</sup>

---

<sup>58</sup> Fletcher, Cynthia Needles, et al. "Transportation Access: A Key Employment Barrier for Rural Low-Income Families." *Journal of Poverty*, vol. 14, no. 2, Informa U.K. Limited, Apr. 2010, pp. 123–44. Crossref, <https://doi.org/10.1080/10875541003711581>.

<sup>59</sup> Andersson, Fredrik, et al. "Job Displacement and the Duration of Joblessness: The Role of Spatial Mismatch." *Review of Economics and Statistics*, vol. C, no. 2, 2018, pp. 203–218.

<sup>60</sup> University of Puerto Rico, Río Piedras. "Expertos analizan el transporte público y colectivo en Puerto Rico." *Universidad de Puerto Rico, Recinto de Río Piedras*, 11 Feb. 2016, [www.uprrp.edu/2016/11/expertos-analizan-el-transporte-publico-y-colectivo-en-puerto-rico/](http://www.uprrp.edu/2016/11/expertos-analizan-el-transporte-publico-y-colectivo-en-puerto-rico/).

<sup>61</sup> Pacheco, G., Page, D., and Webber, D. J. "Mental and Physical Health: Re-assessing the Relationship with Employment Propensity." *Work, Employment and Society*, vol. 28, no. 3, 2014, pp. 407–429. <https://doi.org/10.1177/0950017013491450>.

<sup>62</sup> Bor, Jacob, et al. "Population Health in an Era of Rising Income Inequality: USA, 1980–2015." *The Lancet*, vol. 389, no. 10077, Elsevier BV, Apr. 2017, pp. 1475–90. Crossref, [https://doi.org/10.1016/s0140-6736\(17\)30571-8](https://doi.org/10.1016/s0140-6736(17)30571-8).

<sup>63</sup> Bor, Jacob, et al.

Puerto Ricans generally fare worse than their state counterparts in terms of their health outcomes. In 2017, adults in Puerto Rico reported fair or poor health at a significantly higher rate (37.1%) than those in Mississippi (25.3%).<sup>64</sup> In 2022, the prevalence of diabetes on the Island was 20%, compared to 14% in the United States.<sup>65</sup> The ability to address these health disparities is compromised by a series of structural challenges, including poorly coordinated care, difficulty receiving referrals, long wait times, the rise of managed care, and a massive outmigration of doctors over the last decade.<sup>66</sup> It should not be a surprise then that some studies have found that Puerto Rican patients get lower quality health care than their Hispanic counterparts in the United States.<sup>67</sup>

Community clinics have often served some of those gaps in Puerto Rico, especially for people with limited or no health care coverage with services. The Association of Primary Health is a network of 22 nonprofit organizations that operate 115 clinics and receive federal Section 330 Public Health funding. In addition, in 2022 the Platform for Social Impact pioneered a for-profit health clinic that provides in the Villa Prades neighborhood, Vidalús.

## COMPONENT 2: INDIVIDUALS CAN CONNECT TO ECONOMIC OPORTUNITIES

### ***Goal 3: People have incentives to pursue economic opportunities***

In addition to having skills, support, and resources that help remove barriers to work, it is also important for individuals to have incentives to work. This usually translates into initiatives that increase the benefit of low-wage work, especially as individuals analyze the tradeoffs of entering the workforce. The evidence on the effectiveness of public policy interventions such as earning supplements, addressing benefits cliffs, and refundable tax credits is probably one of the strongest sets of evidence of what works to promote upward economic mobility.<sup>68</sup> These studies have also examined families and found an impact on parental income and mobility, as well as on children's well-being and academic outcomes. We establish two crucial policy areas for the context of Puerto Rico: tax credits and benefits cliffs.

---

<sup>64</sup> Rodríguez-Díaz, Carlos E., and Charlotte Lewellen-Williams. "Race and Racism as Structural Determinants for Emergency and Recovery Response in the Aftermath of Hurricanes Irma and Maria in Puerto Rico." *Health Equity*, vol. 4, no. 1, Mary Ann Liebert Inc, May 2020, pp. 232–38. Crossref, <https://doi.org/10.1089/hecq.2019.0103>.

<sup>65</sup> Gaa, Florian. "Diabetes Prevalence in Puerto Rico Potentially Much Higher Than Official Estimate." *Abartys Health*, 21 Oct. 2022, [www.abartyshealth.com/diabetes-prevalence-in-puerto-rico-potentially-much-higher-than-official-estimate](http://www.abartyshealth.com/diabetes-prevalence-in-puerto-rico-potentially-much-higher-than-official-estimate).

<sup>66</sup> Perreira, Krista, et al. "Puerto Rico Health Care Infrastructure Assessment Site Visit Report." Urban Institute, January 2017, [www.urban.org](http://www.urban.org).

<sup>67</sup> Colón, Héctor M., and Marizaida Sánchez-Cesareo. "Disparities in Health Care in Puerto Rico Compared with the United States." *JAMA Internal Medicine*, vol. 176, no. 6, American Medical Association (AMA), June 2016, p. 794. Crossref, <https://doi.org/10.1001/jamainternmed.2016.1144>.

<sup>68</sup> Mdr. "The 'Make Work Pay' Experiments." MDRC, 21 Oct. 2016, [www.mdrc.org/%E2%80%9Cmake-work-pay%E2%80%9D-experiments](http://www.mdrc.org/%E2%80%9Cmake-work-pay%E2%80%9D-experiments).

⇒ **Tax credits:** Providing refundable tax credits for low-income families has been found to directly impact economic mobility by increasing the participation of women in the workforce and improving economic position.<sup>69</sup> One example of this is the federal Child Tax Credit and Earned Income Tax Credit, which have been found to have the most significant potential for raising a family's income and reducing poverty.<sup>70</sup> Until 2021, only families of three or more children in Puerto Rico could claim the Child Tax Credit. That year the loophole was permanently fixed so that all families could claim the credit, making 89% of families with children in Puerto Rico newly eligible. In addition, through ARPA, families could receive up to \$3,600 per child. ARPA also created a permanent extension that would provide \$600 million to the Puerto Rico government to supplement its Earned Income Tax Credit, allowing it to quadruple its Earned Income Tax Credit.<sup>71</sup> An analysis by Instituto del Desarrollo de la Juventud estimated that the combined expansion of CTC and EITC, as it was during the ARPA expansion, has the potential to reduce the child poverty rate from 55% to 34%.<sup>72</sup> However, there are still inequities in how Puerto Rico receives the federal Child Tax Credit, making both a supplementary local CTC necessary and ongoing advocacy at the federal level to achieve equity in the way the credit is calculated. It is also important to rigorously document the impact of the EITC on labor force participation and economic growth so that it can be justified and protected in the event of further fiscal cuts.

⇒ **Benefits Cliffs:** A benefits cliff refers to decreasing or losing public benefits once a person starts working or increases their earnings. This means that even if a family earns more at work, the loss of benefits signifies higher out-of-pocket expenses, making them financially worse off. This can be an abrupt or gradual effect and can influence career progression. It impacts the ability to meet basic needs and disincentivizes work. This impacts how businesses can meet their workforce needs<sup>73</sup>

Anecdotal, this has been a great deterrent to working in Puerto Rico, with many employers citing that, at times, workers do not want to work more hours or even work at all for fear of losing benefits.

---

<sup>69</sup> Cushing-Daniels, Brenda, and Sheila R. Zedlewski. Tax and Spending Policy and Economic Mobility. The Urban Institute, 2 Apr. 2008.

<sup>70</sup> National Academies of Sciences, Engineering, and Medicine. A Roadmap to Reducing Child Poverty. (Washington, DC: The National Academies Press, 2019): doi: <https://doi.org/10.17226/25246>; Arloc Sherman and Danilo Tesi. "Safety Net More Effective Against Poverty Than Previously Thought: Correcting for Underreporting of Benefits Reveals Stronger Reductions in Poverty and Deep Poverty in All States" (Washington, DC: Center for Budget and Policy Priorities, 2015): <https://www.cbpp.org/research/poverty-and-inequality/safety-net-more-effective-against-poverty-than-previously-thought>

<sup>71</sup> Balmaceda, Javier. "Tax Credit Expansions Expected to Significantly Reduce Poverty in Puerto Rico." Center on Budget and Policy Priorities, 14 Mar. 2022. [www.cbpp.org/blog/tax-credit-expansions-expected-to-significantly-reduce-poverty-in-puerto-rico](https://www.cbpp.org/blog/tax-credit-expansions-expected-to-significantly-reduce-poverty-in-puerto-rico).

<sup>72</sup> Enchautegui, M. E., et al. The Child Tax Credit in Puerto Rico: Impacts on Poverty and the Lives of Families. Instituto del Desarrollo de la Juventud, Dec. 2022.

<sup>73</sup> "Introduction to Benefits Cliffs and Public Assistance Programs." National Conference of State Legislatures, 29 Nov. 2023.

[www.ncsl.org/human-services/introduction-to-benefits-cliffs-and-public-assistance-programs#:~:text=Benefits%20cliffs%20\(the%20%E2%80%99Ccliff%20effect,a%20small%20increase%20in%20earnings.](https://www.ncsl.org/human-services/introduction-to-benefits-cliffs-and-public-assistance-programs#:~:text=Benefits%20cliffs%20(the%20%E2%80%99Ccliff%20effect,a%20small%20increase%20in%20earnings.)

This concern for the loss of benefits because of work was validated by Instituto del Desarrollo de la Juventud's ESEFAM survey, in which 61% of low-income heads of households expressed that one major problem for working was the suspension of government aid. Some ways to address benefits cliffs include adjusting eligibility levels- whether income or asset limits and implementing transition periods. Other promising and recent approaches, such as the D.C. Career Mobility Action Plan, provide cash payments to offset benefit losses and reduce effective tax rates.<sup>74</sup>



---

<sup>74</sup> Ilin, Elias, and Alvaro Sanchez. Mitigating Benefits Cliffs for Low-Income Families: District of Columbia Career Mobility Action Plan as a Case Study. Federal Reserve Bank of Atlanta, Sept. 2023.

# ENABLING PILLARS OF ECONOMIC MOBILITY

When reviewing upward economic mobility frameworks, it is not uncommon to find many of the components and goals presented in this framework. However, this framework overlooks the systemic dynamics that may facilitate or hinder those components. Here, we present four systemic pillars enabling or restricting each element's desired results.

## **Innovative and Effective Programs and Practices**

Many of the goals included in our framework are pursued through programs and practices- in both the public and the private sector. Programs implemented by nonprofits and government have the potential for moving the needle on ensuring there are economic opportunities- by providing tools and resources for entrepreneurs, for example. They most notably use their programs to ensure that individuals have access to opportunities, such as wraparound programs to remove barriers and connect individuals to work, childcare options for low-income individuals, and educational services, amongst others.

On the other hand, businesses play a significant role in securing both components of the framework through their practices. For example, businesses are central in job creation and ensuring that those jobs are of high quality, and this happens through their practices around salaries, benefits, scheduling, and career trajectories. They could also impact the access to opportunities component through their programs and internal policies for families with children, benefits related to health and childcare, and skills training. When we refer to innovation in the context of economic mobility and sustainable development for Puerto Rico, it encompasses the development and implementation of programs and practices across the public, private, and non-profit sectors that significantly outperform current standards and expectations.

**Innovation is not just about new ideas, but about effectively applying these ideas to generate tangible improvements in economic opportunities and living standards. Key aspects of this approach include:**

- 1 Program Design and Implementation:** Drawing from the document, the cornerstone of innovation lies in the strategic design and faithful implementation of programs. This involves engaging with the community to identify needs, using data-driven strategies to shape interventions, and ensuring that the execution of these programs aligns closely with their intended design. This process is vital for both government-led initiatives and private sector ventures, especially those aimed at fostering economic development and mobility.
- 2 Evaluation for Effectiveness and Scalability:** Utilizing rigorous methodologies to assess effectiveness allows for the refinement of these programs and supports decisions regarding their scalability. This is critical for ensuring that resources are allocated efficiently and that programs with the potential for broad impact are expanded.
- 3 Funding for Research & Development (R&D):** In the case of solutions that can bring economic growth, these often stem from advancements in technology and processes discovered through R&D. Therefore, investing in R&D is crucial for developing new solutions to economic challenges, enhancing productivity, and creating high-value jobs. This requires both public investment and incentives for private sector R&D efforts.
- 4 Support for Scaling and Market Expansion:** Innovative programs that demonstrate success need support to scale and expand. This includes providing access to capital, mentoring, and networks that can open new markets. Efforts to scale should focus on expanding the reach of successful programs to benefit a larger segment of the population, there by magnifying their impact on economic mobility.

- 5 Sustaining Operations During Growth:** As programs and businesses scale, maintaining operational efficiency and effectiveness is paramount. This involves strategic planning, management of resources, and continuous innovation to ensure that growth does not compromise the quality or sustainability of economic development efforts.
- 6 Enhancing Tech Infrastructure:** A modern, reliable tech infrastructure is essential to supporting innovation across all sectors. Investments in high-speed internet, digital services, and smart technologies enable the development and deployment of successful initiatives. facilitate R&D and support the scaling of programs.



**There are also still opportunities to continue innovating in areas such as sectoral approaches to workforce development programs and technical education options<sup>75</sup>- especially in those areas that are projected to grow over the next years; strengthening corporate practices intentionally using quality jobs frameworks; and home-based childcare options, amongst others.**

---

<sup>75</sup> Consideraciones finales y recomendaciones de política pública Radiografía del Sistema de Desarrollo Laboral de Puerto Rico Christopher García Sánchez María E. Enchautegui Román A publicarse (abril 2022) Instituto del desarrollo de la Juventud

**Supportive public policy:** Upward economic mobility at scale—impacting over a million people in Puerto Rico—will not be realized by standalone programs. It will require a range of public policies encompassing this framework’s different aspects. These public policies can enable the expansion of innovative and effective programs and help align public resources and policies toward upward economic mobility. They can also have a direct and sizable effect on decisions made by businesses and individuals through legal requirements, incentives, and penalties. As an example, public policy plays a major role in ensuring quality jobs and that people have incentives to pursue economic opportunities through minimum wage laws and incentives that help make work pay for low-income workers. As with programs, it is important to evaluate public policies with the intended outcomes and use this data to inform design and implementation.

Some important policy frameworks incentivize work, such as the Local Earned Income Tax Credit and the federal Child Tax Credit. However, these could still be strengthened, particularly the federal Child Tax Credit, which does not provide equitable terms for residents of Puerto Rico.

Over the last decade, organizations like Instituto del Desarrollo de la Juventud, Espacios Abiertos, and others that impact the extent to which there are economic opportunities, and people can take advantage of those opportunities.

In the 2020 election, Instituto del Desarrollo de la Juventud succeeded in advocating for the reduction of child poverty in all gubernatorial platforms, including the current governors. As a result, a series of public policies have been implemented towards this end, including creating a child poverty reduction target and a commission to eradicate child poverty. However, more needs to be done. A 2023 report by the Office of the Comptroller found that the Commission had been inactive and not utilized the resources it was given.<sup>76</sup> Most recently, the Commission released an RFP for the creation of a strategic plan for the government to pursue child poverty reduction comprehensively.

---

<sup>76</sup> Ocprgovp, and Ocprgovp. "Iniciativa Para Luchar Contra La Pobreza Se Quedó En Planes - OFICINA DEL CONTRALOR." OFICINA DEL CONTRALOR - Estado Libre Asociado De Puerto Rico, 27 Sept. 2023. [www.ocpr.gov.pr/articulos/iniciativa-para-luchar-contra-la-pobreza-se-queda-en-planes](http://www.ocpr.gov.pr/articulos/iniciativa-para-luchar-contra-la-pobreza-se-queda-en-planes).

Beyond public policies that directly promote economic mobility, a supportive public policy framework can enable those framework components by helping increase access to financing for scaling effective programs through the establishment of Results-Based Financing (RBF) programs. As explained by GSG's Report Catalyzing an Impact Investment Ecosystem: **"This type of approach seeks to help improve the effectiveness of delivery systems and specific interventions. Amongst other benefits, such vehicles can i) generate cost-savings by ensuring funds are (at least partly) only spent if results are achieved; ii) help attract private capital to fund social and environmental outcomes and therefore promote public-private partnerships; and iii) help promote stronger performance management, enabling constant improvement of programs.** RBF has proven to work across a variety of social issues, including education, labor market development, gender equality and health." The government can promote RBF through its solicitation processes and designating funds that can be only used for piloting this approach.

**Cross-Sector Coordination:** The literature on social innovations has identified fragmented ecosystems as one major hurdle to scaling.<sup>77</sup> Not only does significant scale require involvement from a variety of sectors—nonprofit, businesses, government, media, etc.—but it also requires collaboration amongst these sectors—awareness of what the other one is doing and joint ventures—and coordination—planning together so as not to duplicate and ensure continuity of efforts. **The coordination issue is fundamental to Puerto Rico's long-term continuity of efforts. Political changes have anecdotally been known to cause instability in implementing public policy changes and broad public initiatives.**

One alternative to promote coordination and continuity is having initiatives and collaborations reside in the nonprofit sector, usually funded by philanthropy or businesses. Some examples of philanthropy-initiated efforts include Coalición Todos a Leer and the Southern Puerto Rico Economic Development District. Entrepreneurship efforts like the Echar Pa'Lante Multi-Sectoral Coalition and the Annual Global Entrepreneurship Monitor were and continue to be funded by corporations like Banco Popular. Another approach has been the creation of public-private partnerships through legislation, including external marketing initiatives such as Invest Puerto Rico.

---

<sup>77</sup> Deiglmeier, K., and A. Greco. "Why Proven Solutions Struggle to Scale Up." Stanford Social Innovation Review, 2018, <https://doi.org/10.48558/1EDR-B460>.

**Sufficient financial resources for significant scale:** Programs and public policies can be well-designed and innovative but can only be implemented with adequate funding, especially at scale. Entrepreneurship incubation can lead to the creation of businesses, but these businesses will only grow and be able to create a substantial amount of quality jobs with sufficient access to capital. When we speak of financial resources, we refer to the spectrum of social finance- which includes private or public sources- and can be in the form donations, grants, loans, investments with expected social and financial returns, and investments that only have expected financial returns. The literature suggests that access to financial resources is the most significant hurdle facing social innovations, particularly once they have proven effectiveness and are ready to impact more people through a variety of scale approaches: "Mezzanine funding and growth capital are hard to come by, and scarce resources often stall proven solutions before they have the opportunity to achieve their full potential."<sup>78</sup>. For example, an organization may have a proven program to achieve post-secondary success amongst first-generation college students but only find sufficient funding to scale the program to 2,000 students, while perhaps 100,000 students could benefit from the program. **Funding is also needed to fund research, evaluation, data collection, program design, and other critical areas required for social innovation and program effectiveness. In terms of job creation, access to capital is also paramount.**

While new enterprises have been found to be significant generators of new jobs, their growth and viability is compromised when they do not have access to capital and financing.<sup>79</sup> Past their initial stage and once they are established, access to capital is what allows small businesses to fulfill their role of job creators.<sup>80</sup> For example, finding venture capital is usually what allows a startup to make the hires needed to take their companies to the next level.

**Sufficient funding also presents a significant hurdle for implementing public policies at full scale. An example of a policy constrained by funding is Section 8, which offers vouchers for low-income families to rent in the private housing market. Due to funding constraints, Section 8 housing vouchers are only available to 25% of those eligible.<sup>81</sup> Capital is the most significant hurdle to achieving economic mobility goals at scale. This is because Puerto Rico faces five unique variables that constrain the amount of capital and funding available to individuals, entrepreneurs, businesses, government, and social enterprises.**

---

<sup>78</sup> Ibid

<sup>79</sup> "Small Businesses Job Creation and Growth: Facts, Obstacles, and Best Practices." OECD, 22 June 1997, [www.oecd.org](http://www.oecd.org).

<sup>80</sup> Babson College. "The State of Small Business in America 2016." Goldman Sachs, 2016, [www.goldmansachs.com/citizenship/10000-small-businesses/US/news-and-events/babson-small-businesses/](http://www.goldmansachs.com/citizenship/10000-small-businesses/US/news-and-events/babson-small-businesses/).

<sup>81</sup> Cohen, Rachel M. "The Government Wants to See if Giving People Cash for Rent Works Better Than Vouchers." Vox, 12 Sept. 2023, [www.vox.com/2023/9/12/23864165/affordable-housing-voucher-program-hud-federal-government-section-8](https://www.vox.com/2023/9/12/23864165/affordable-housing-voucher-program-hud-federal-government-section-8).

**Inequitable policies hamper federal funding:** While Puerto Rico receives a sizable amount of federal funding, it is not equitable, meaning it isn't commensurate with the Island's high poverty levels. In 2022, the Island residents—with a median household income of \$24,002<sup>82</sup>—received \$11,647 per capita in federal funding (this includes direct payments, grants, and others). This is roughly the same amount that Mississippi received (\$11,985 per capita), with the contrast that the median household in Mississippi is double that of Puerto Rico, at \$41,754.<sup>†</sup> It should also be noted that these amounts were significantly lower before Hurricane Maria. Some examples of inequitable federal funding that is directly related to this framework include:

- ⇒ **Medicaid:** While each state's Medicaid matching rate is tied to its per capita income and can reach as high as 83%, Puerto Rico's matching rate is capped at 55 %, even though the average per capita income is below the level in the poorest states. This means Puerto Rico must pay more Medicaid costs for their residents than most states, even though those states have higher average incomes.
- ⇒ **Child Tax Credit:** While the CTC was recently expanded, it is still not reimbursed at the same rate. For residents of Puerto Rico, the CTC is calculated as 7.65% of income, based on payments to Social Security and Medicare instead of the 15% available to families in the United States.
- ⇒ **TANF:** The Temporary Assistance to Needy Families Program (TANF), designed to help low-income families with children achieve economic self-sufficiency, is also capped through a block grant. In 2019, for example, a mother with two children would receive \$220 a month in aid, plus access to services to support employment. In contrast, the average payment for a family of three in New Mexico, a state with an 18% poverty rate in 2019, was \$447<sup>84</sup>.



<sup>82</sup> American Community Survey- 5 year Estimates

<sup>83</sup> USAspending.gov. [www.usaspending.gov/state/puerto-rico/latest](https://www.usaspending.gov/state/puerto-rico/latest). Accessed 22 Mar. 2024.

<sup>84</sup> Enchautegui, María E., Cecilia Arroyo-Quijano, and Viviana Blakely-Vallecillo. Colgando de un Hilo: El Sistema de Protección Social de Puerto Rico y la Movilidad Económica de las Familias. Instituto del Desarrollo de la Juventud, 2021.

**Local government spending is still limited because of the debt crisis:** In 2015, Puerto Rico faced over \$70 billion in debt and \$55 billion in unfunded pension liabilities that the governor deemed unpayable at the time. Due to its political status, Puerto Rico did not have recourse to restructure its debt, leading to the enactment of the Puerto Rico Oversight and Management Economic Stability Act (PROMESA). This act established a federally appointed fiscal oversight board and a process for debt restructuring. It took six years, but in 2022, PROMESA led to restructuring the debt, reducing its debt burden by 80%. It has also led to a series of austerity measures and cuts to health care, pensions, and public K-12 and post-secondary education. While the recent influx of federal funds has led to significant government revenues, the Financial Oversight and Management Board (FOMB) still has the final say in budget and spending approvals and will closely restrict spending.

**Puerto Rico is a blind spot for development and poverty reduction investments:** The tools and investments available for the government and social entrepreneurs to solve these issues are mainly based on inequitably funded federal U.S. policies and a context in which only a small fraction of the population lives in poverty, as opposed to nearly half of the population. These tools and resources have never been sufficient, given that Puerto Rico's context and conditions do not squarely fit into that of a developed economy. For example, while the United States Inequality Adjusted Development Index is .80,<sup>85</sup> Puerto Rico's is .58, making it more comparable to middle-income countries such as Panama and Costa Rica, and countries like Chile surpass it. Despite having characteristics more like middle-income countries, Puerto Rico is often overlooked in international development investments because of its political status and is not eligible to receive capital for poverty reduction initiatives from institutions like the World Bank or the Inter-American Development Bank

**Philanthropic resources are limited:** Philanthropic investments are essential for social innovations that can eventually be scaled for broader impact. They usually provide more flexible funding than the government, can absorb more risk, and are not traditionally preoccupied with financial returns. However, in the case of Puerto Rico, given the limits in public funding, at times, philanthropic funding is also used to fund essential services, programs, and social welfare systems that the government does not provide for or is slow to respond to. This makes the role of philanthropic resources even more critical on the Island. However, when

---

<sup>85</sup> The United Nations Inequality-adjusted Human Development Index (IHDI) measures a country's average achievements in health, education, and income while considering how those achievements are distributed among the country's population.

comparing the resources of philanthropic organizations in Puerto Rico to those in the poorest jurisdictions in the United States, the inequities in philanthropic assets are staggering. Puerto Rico's grant-giving foundations' revenues are roughly \$85 million annually, and their assets are \$286 million.<sup>86</sup> Alabama has more than ten times the revenues and assets.<sup>87</sup> When we compare Puerto Rico to the Detroit metro area, which recently went through a similar austerity process and has a comparable child poverty rate, the differences are astounding. Detroit's philanthropic institutions have around 25 times more assets than those in Puerto Rico, with annual revenues of \$1 billion and assets of \$15 billion.<sup>88</sup>

**Limited access to private capital, including social impact capital:** In Puerto Rico, access to capital has historically been more challenging for multiple sectors. The most notable example is the government's access to capital markets, which has been severely limited over the last years due to Puerto Rico's bankruptcy. The Island just emerged from that process after a debt restructuring in 2022.

Another sector that has been commonly identified as one that struggles with access to capital is the business sector. This was exacerbated by the closing and exit of banks in Puerto Rico between 2009 and 2012. It was estimated that the string of bank closings led to a 50% reduction in the commercial lending capacity.<sup>89</sup> Some specific and documented challenges include difficulties accessing SBA loans, high cost of capital,<sup>90</sup> and limited venture capital and angel investments<sup>91</sup>. This type of access to capital has increased through programs like Pulso and Causa Local but remains a challenge.

**When thinking of capital geared towards enterprises and projects that can move the components of this framework, there are some emerging opportunities. For example, the Community Development Financial Institutions Fund (CDFI) certified institutions grew from eight in 2017 to 95, mostly through the certification of cooperatives. The Fund has loaned over \$110 million in the last years.<sup>92</sup> These loans are meant to prioritize underserved areas, have less stringent requirements, and have the ultimate mission of expanding economic opportunity for underserved people and communities.<sup>93</sup>**

When looking specifically at impact capital, there are also emerging, albeit still limited, opportunities.

---

<sup>86</sup> "Foundations in Puerto Rico." Cause IQ, [www.causeiq.com/directory/foundations-list/puerto-rico-state](http://www.causeiq.com/directory/foundations-list/puerto-rico-state).

<sup>87</sup> "Foundations in Alabama." Cause IQ, [www.causeiq.com/directory/foundations-list/alabama-state](http://www.causeiq.com/directory/foundations-list/alabama-state).

<sup>88</sup> "Detroit Foundations." Cause IQ, [www.causeiq.com/directory/foundations-list/detroit-warren-dearborn-mi-metro](http://www.causeiq.com/directory/foundations-list/detroit-warren-dearborn-mi-metro).

<sup>89</sup> De Redacción - El Foro De Puerto Rico, Sala. "Cierre Y Fusión De Bancos Provocan Problemas De Acceso a Capital." El Foro De Puerto Rico, 4 Sept. 2020, [www.elforodepuertorico.com/cierre-y-fusion-de-bancos-provocan-problemas-de-acceso-a-capital](http://www.elforodepuertorico.com/cierre-y-fusion-de-bancos-provocan-problemas-de-acceso-a-capital).

<sup>90</sup> "Business on the Frontlines | Mendoza College of Business | University of Notre Dame." BOTFL, [www.businessonthefrontlines.nd.edu/?utm\\_campaign=redirect&utm\\_medium=web&utm\\_source=botfl.nd.edu](http://www.businessonthefrontlines.nd.edu/?utm_campaign=redirect&utm_medium=web&utm_source=botfl.nd.edu).

<sup>92</sup> State Result | Community Development Financial Institutions Fund, [www.cdffund.gov/awards/state-awards/state-results/puerto%20rico](http://www.cdffund.gov/awards/state-awards/state-results/puerto%20rico).

<sup>93</sup> Are CDFIs the Key to Bolstering Economic Opportunity in Puerto Rico? 29 Aug. 2023, [nextcity.org/urbanist-news/are-cdfis-the-key-to-bolstering-economic-opportunity-in-puerto-rico](http://nextcity.org/urbanist-news/are-cdfis-the-key-to-bolstering-economic-opportunity-in-puerto-rico).

Acrecent Finance Partners recently established a partnership with four international impact investment firms to establish a \$34.8 million dollar for small and medium-sized enterprises for “underserved sectors which are essential for the social and economic development of the island, such as health care, affordable housing construction, hospitality and renewable energy, among others”.<sup>94</sup> Banco Popular recently established a \$15 million Impact Fund, that funds a mixture of environmental and social impact innovations.

**The Platform for Social Impact (PSI) is the first entity that has launched a blended social impact fund solely focused on reducing poverty and promoting economic policy. The key project within the pilot blended finance portfolio is an ambitious mixed-use development located in San Juan. Oasis is designed as a comprehensive "one-stop shop," addressing critical needs in the local community by integrating essential services related to education, health, and job opportunities.**

Finally, individuals also have limitations when accessing traditional capital and lending. Residents of Puerto Rico have fewer choices of financial products and services than do residents of the 50 states, and many lenders based in the 50 states either do not operate in Puerto Rico at all or offer only a very narrow range of loan types. For example, a study by FINRA, or the Financial Industry Regulatory Authority, revealed that 12% of households in Puerto Rico are not banked (no checking, savings, money market or CD account), as opposed to 4.5% in the United States. Moreover, 40% of adults in Puerto Rico do not have a credit card, as opposed to 20% of the rest of the U.S. A lack of access to capital at the individual level challenges economic mobility- “making it more difficult for Puerto Ricans to buy homes, save for their children’s future, start businesses, and build wealth” .<sup>95</sup>

***Ultimately, access to financial resources is one of the most significant constraints facing upward economic mobility and poverty reduction in Puerto Rico. The multiple restrictions of capital and funding in Puerto Rico significantly impact the ability of individuals to build wealth, businesses to create sufficient and high-quality jobs, the viability of social innovations and their ability to scale, and the scaling of government programs at a scale that matches the great need in Puerto Rico.***

---

<sup>94</sup> "ACRECENT Paves the Way for Regional Impact Investing." Sygnus Group, [www.sygnusgroup.com/acrecent-paves-the-way-for-regional-impact-investing/](http://www.sygnusgroup.com/acrecent-paves-the-way-for-regional-impact-investing/). 22, Mar. 2024.

<sup>95</sup> "Financial Struggles in Puerto Rico Bite Deeper Than the Rest of the United States | Consumer Financial Protection Bureau." Consumer Financial Protection Bureau, 27 July 2023. [www.consumerfinance.gov/about-us/blog/financial-struggles-in-puerto-rico-bite-deeper-than-the-rest-of-the-united-states](http://www.consumerfinance.gov/about-us/blog/financial-struggles-in-puerto-rico-bite-deeper-than-the-rest-of-the-united-states).

# OPPORTUNITIES FOR ACTION BY SECTOR

Promoting economic mobility isn't just the responsibility of an individual or something to be tended to by the government or nonprofit sectors. It requires action and collaboration from a broad array of sectors and actors. We outline some preliminary ideas for opportunities for action by sector and hope to continue identifying others in partnership.

## BUSINESS SECTOR/EMPLOYERS

- 1 Adopt a Quality Job Framework:** Businesses should adopt a quality jobs framework focusing on fair wages, essential benefits, and a supportive work environment. This not only improves employee satisfaction but also attracts talent, fostering a more committed workforce which contributes to economic mobility.
- 2 Establish Career Development Programs:** As part of a high-quality jobs' framework, establish career development and training programs offering clear advancement paths and skill-building opportunities. Investing in employee growth enhances internal capabilities and reduces turnover, benefiting both the workforce and the company.
- 3 Implement Continuous Improvement Programs:** Introduce continuous improvement strategies to boost productivity and growth, involving regular reviews and employee feedback. Not only does this approach encourage innovation and problem-solving, leading to greater competitiveness and employee engagement, but also provides opportunities for employee growth that can lead to upward economic mobility.



## ENTREPRENEURS

- 1 Seek Impact Investment Capital:** Entrepreneurs should target capital from impact investors, aiming for funds that offer both financial returns and positive social impact. This strategy helps align business growth with broader societal goals, creating value beyond profit.
- 2 Leverage Entrepreneurship Programs and Networks:** Utilize entrepreneurship programs and networks to gain access to mentorship, resources, and connections. Building a strong network enhances social capital, which is crucial for navigating challenges and uncovering new opportunities.
- 3 Explore Business Opportunities in Traditionally Underserved Communities and Segments:** Identify and pursue opportunities to generate both profit and social returns in sectors like education, health, childcare, and transportation. Focusing on these areas meets pressing community needs and opens avenues for sustainable business models that contribute to societal well-being.

## ACADEMIA AND THINK TANKS

- 1 Revamp curricula and develop sector strategies:** Ensure that degree offerings are preparing students for high quality jobs that provide pathways for upward economic mobility. This includes aligning offerings with industries that are projected for growth and worker with employers to develop sector strategies that align industry needs to curriculum, and a host of supports for providing onramps towards economic mobility.
- 2 Develop data infrastructure in collaboration with government:** Work with government agencies to build and improve data infrastructure for monitoring socio-economic mobility and development. This can include longitudinal data sets to better understand the extent to which there is economic mobility in Puerto Rico, and what factors are more likely to lead to it in the specific context.
- 3 Strengthen the infrastructure for impact evaluations:** There is still a great need for the rigorous evaluation of programs and public policies, and the extent to which they are achieving the goals contained within this framework. We encourage academia and other research institutions to strengthen their capacities to conduct randomized control trials, quasi-experimental and longitudinal studies. This will not only support impact investing, but allow for a better use of public and private financial resources.

## LOCAL INVESTORS

- 1 Adopt an Impact Management Framework:** Local investors should implement an impact management and measurement framework, such as IRIS+, to evaluate and enhance the social and environmental outcomes of their investments. This approach ensures that investments not only yield financial returns but also contribute positively to Puerto Rican society and ecosystems.
- 2 Integrate Place-Based Investing:** Incorporate place-based investment strategies into their portfolios to directly address the unique challenges and opportunities within Puerto Rico. By focusing on local needs, investors can contribute to sustainable development, supporting projects that create economic opportunities and create high quality jobs.
- 3 Collaborate with International Funds:** Actively seek partnerships with funds and investors outside of Puerto Rico to broaden the impact and reach of their investments. Collaborating with global partners can bring additional resources, expertise, and attention to Puerto Rican ventures.

## BANKING, COOPERATIVES AND FINANCIAL INSTITUTIONS

- 1 Expand financial education to reach the unbanked:** Given the significant proportion of Puerto Rican households that are still not formally banked, access to capital and hence upward economic mobility, banks should enhance their efforts to educate and reach unbanked populations.
- 2 Continue increasing community development financing:** Increase investments in community development financing to support projects that lead to quality jobs or entrepreneurship opportunities by or for underserved communities.  
**Offer products tailored for projects that can lead to economic mobility:** Develop and provide financial products specifically designed for small entrepreneurs in underserved communities, as well as for partnerships with nonprofits and government entities.
- 3** These products should aim to facilitate self-employment, job creation, and the scaling of social innovations, addressing the unique needs and challenges faced by these groups.

## NONPROFIT ORGANIZATIONS/COMMUNITY-BASED ORGANIZATIONS

- 1 Focus on program innovation in key areas:** Nonprofits should concentrate on innovating programs to address some of the goals contained in this frameworks that might still lack sustainable and effective solutions.
- 2 Collaborate with the private sector for co-creation:** Strengthen partnerships with businesses to co-develop products and services that meet the needs of the communities served. Such collaboration can draw on the strengths of each sector, combining nonprofit insights into community needs with private sector innovation, efficiency, and resources.
- 3 Strengthen use of data and impact and outcome/impact evaluations:** Using data to inform decision-making can lead to more effective services. In addition, it is imperative that nonprofit organizations have a better understanding of the extent to which their programs are having the desired impact through more rigorous program design and evaluation practices. This includes understanding whether programs are leading to increased and long-term employment, increases in income, educational attainment and other indicators of economic mobility.

## LOCAL PHILANTHROPY

- 1 Dedicate a percentage of investments to economic mobility:** Local foundations should commit a specific percentage of their mission-related investments to projects that promote economic mobility within Puerto Rico. This can be in a broader, integrated strategies or those that pursue some of the goals of this component- such as high-quality education and health. This targeted investment strategy can help to catalyze significant improvements in areas critical to lifting individuals and communities out of poverty.
- 2 Coordinate investments through a strategic philanthropy approach:** In addition to dedicating a proportion of investments to the goals contained in this framework, we recommend coordinating these investments with other foundations to leverage resources and avoid duplicity. This can also entail using collective impact approaches with shared metrics or taking on an ecosystem building approach.
- 3 Support innovation in economic mobility:** Continue to take calculated risks by funding new and innovative projects focused on economic mobility. Philanthropic organizations play a crucial role in providing the initial support needed for groundbreaking ideas to prove their concept, which can lead to broader adoption and impact.



## LABOR UNIONS

- 1 Incorporate upward economic mobility framework in advocacy:** Labor unions should integrate an upward economic mobility framework into their advocacy efforts. By prioritizing policies and practices that enhance job quality and working conditions, unions can play a significant role in advancing the economic well-being of their members and contributing to broader upward economic mobility.
- 2 Launch skill development and career progression programs:** Unions should develop and offer comprehensive skill development and career progression programs for their members. These programs would focus on upskilling, reskilling, and providing clear pathways for career advancement, ensuring members remain competitive and can continue on upward mobility trajectories.
- 3 Prepare members for labor market shifts:** With technological advancements and automation predicted to significantly disrupt traditional labor markets, labor unions should proactively prepare their memberships for these changes. This includes offering training in new technologies, fostering adaptability skills, and advocating for policies that support workers during transitions, ensuring that members are not left behind in the evolving economy.



## POLICY AND ADVOCACY ORGANIZATIONS

- 1 Integrate Economic Mobility Objectives into their Advocacy Agendas:** Policy and advocacy organizations should ensure that economic mobility objectives are a central part of their advocacy efforts. By prioritizing policies that promote economic mobility, these organizations can help create a more inclusive and equitable society, ensuring that policies support upward mobility for all, especially those in underserved communities.
- 2 Partner with Direct Service Entities to Inform Policy:** Forge strategic partnerships with organizations that provide direct services to communities. Sharing insights and data about effective interventions can enrich policy advocacy, ensuring that policy recommendations are grounded in practical, proven solutions that enhance economic mobility.
- 3 Advocate for Comprehensive Policy Reform in Critical Sectors:** Push for policy reforms in sectors critical to economic mobility, such as healthcare, housing, and workforce development. Advocacy should focus on creating and implementing policies that remove barriers to access, improve quality, and ensure affordability in these essential services, directly contributing to the improvement of living standards and economic opportunities for individuals and families.

## EXECUTIVE BRANCH

- 1 Optimize and integrate the workforce development system:** The executive branch should prioritize the creation and optimization of a centralized workforce development system that integrates the various funding streams for workforce development that are currently fragmented across different agencies.
- 2 Market Puerto Rico to Impact Investors and Join Development Finance Networks:** Actively promote Puerto Rico as an attractive destination for impact investors by highlighting investment opportunities that can generate social and environmental benefits alongside financial returns. Joining and participating in international development finance networks can also elevate Puerto Rico's visibility and attractiveness to a global audience of investors focused on sustainable development and impact investing.
- 3 Implement outcome-based and pay-for-results contracting:** Pilot outcome-based contracting models, including pay-for-results and community benefit agreements. This approach ensures that contractors and partners are incentivized to deliver tangible, positive outcomes in education, workforce development and health, amongst others. By focusing on outcomes, the executive branch can ensure that public funds are used more effectively, and specifically upward economic mobility.

## LEGISLATURE

- 1 Optimize impact investment laws:** The legislature should refine impact investment regulations to attract more capital focused on social and environmental outcomes. By improving the legal framework for impact investments, including tax incentives and regulatory simplifications, Puerto Rico can become a more appealing destination for investors looking to combine financial returns with meaningful impact.
- 2 Incorporate economic mobility and quality jobs framework into legislation:** Integrate a comprehensive economic mobility framework that prioritizes the creation of good jobs into all relevant legislative efforts. Laws should be designed to support not just job creation but the creation of quality jobs with fair wages, benefits, and opportunities for advancement. This approach ensures that the legislative agenda actively contributes to promoting upward economic mobility.
- 3 Strengthen oversight and evaluation of economic development initiatives:** Implement mechanisms for the ongoing oversight and rigorous evaluation of economic development policies and programs. This action aims to ensure that initiatives are effectively driving economic growth, job creation, and improvement in economic mobility. Regular assessments will provide valuable insights for refining strategies and ensuring public funds are directed toward the most impactful projects.

## FISCAL OVERSIGHT AND MANAGEMENT BOARD (FOMB)

**Prioritize human capital development:** Emphasize investments in human capital, particularly within K-12 education and post-secondary studies, considering the upskilling of workers and individuals that have been out of the workforce. This will allow for more sustained economic growth.

**Consider the impact of poverty in economic projections:** Including the cost of poverty and low socio-economic mobility in economic and fiscal projections is essential for proper planning for Puerto Rico's fiscal sustainability.

**Prioritize incentives to work when considering investments:** Investments to work, such as the local contribution towards the EITC, and mechanisms to tend to benefits cliffs have to be prioritized as part of a broader economic mobility approach.

## FEDERAL AGENCIES

- 1 Offer technical assistance for funding flexibility:** Federal agencies should provide robust technical assistance to Puerto Rico, emphasizing the flexibility in blending and braiding various funding streams. This support will help maximize the use of federal resources, enabling more comprehensive and cohesive funding strategies.
- 2 Facilitate the use of Results-Based Finance options:** Guide the Commonwealth of Puerto Rico in adopting Results-Based Finance (RBF) mechanisms, such as Pay for Success models. By sharing expertise and connecting Puerto Rico with jurisdictions experienced in these models, federal agencies can help implement funding strategies that focus on achieving specific, measurable outcomes, enhancing accountability, and ensuring the effective use of public funds.
- 3 Support the leveraging of recovery funds for economic mobility:** Encourage and assist Puerto Rico in strategically leveraging recovery funds to foster economic mobility and reduce poverty. Federal agencies can play a crucial role in ensuring that investments are directed towards initiatives that offer the greatest potential for long-term social and economic benefits, providing guidance on best practices for impactful use of these funds.

## WHITE HOUSE

- 1 Serve as a convening power:** The White House should continue to use its influential position to bring together various stakeholders involved in Puerto Rico's recovery and the promotion of economic mobility. By acting as a central hub for collaboration, it can facilitate discussions, share best practices, and align efforts across federal agencies, local government, private sector, and non-profits to ensure a coordinated approach to Puerto Rico's challenges.
- 2 Integrate Puerto Rico into national initiatives:** Actively include Puerto Rico in national programs and initiatives focused on community development, poverty reduction, and economic mobility. The White House should ensure that Puerto Rico's unique needs and contexts are considered in policy making and program design and leverage the island's achievements as models for success that can inform broader, national efforts.
- 3 Encourage federal agencies to craft creative solutions in collaboration with local agencies:** Advocate for and support the flexible application of federal funds by Puerto Rico, encouraging innovative and combined use of resources to maximize impact. The White House can play a critical role in ensuring that federal agencies provide guidance and support to Puerto Rico, allowing for creative solutions that address the island's specific economic and social challenges, thereby increasing access to essential services and opportunities.

## U.S. CONGRESS

- 1 Engage with Puerto Rico Advocates:** U.S. Congress should maintain and deepen its collaborations with Puerto Rico's advocates, think tanks, and community-based organizations. These partnerships are essential for Congress to understand the nuanced impacts of federal policies on the daily lives of Puerto Ricans and to ensure proposed policy changes truly address the island's needs and challenges.
- 2 Address inequitable policy frameworks:** Take decisive action to reform policies and regulations that currently hinder Puerto Rico's access to adequate financial resources. This includes making necessary amendments to the Child Tax Credit, Social Services Block Funding, Medicaid, and Supplemental Security Income (SSI) to ensure equity and fairness in how these programs operate within Puerto Rico.
- 3 Integrate RBF approaches in new funding:** New appropriations could include language that tie them to results, creating an added incentive for Commonwealth agencies and nonprofit agencies to use these funds efficiently.

## U.S. BASED AND INTERNATIONAL PHILANTHROPY

- 1 Commit to funding in Puerto Rico:** Allowing for grant giving in Puerto Rico is one way to advance philanthropic commitments to equity and economic mobility. Moreover, investments in Puerto Rico can provide valuable lessons for promoting economic mobility in contexts with similar socio-economic characteristics, which can range from U.S. cities with high levels of poverty to middle-income Caribbean or Latin American countries.
- 2 Develop a Credit Enhancement Program:** Create formal credit enhancement programs to support businesses and NGOs in Puerto Rico, particularly those involved in reconstruction and development efforts. By providing guarantees, insurance, or other financial products, philanthropies can reduce the risk for investors and lenders, encouraging more private capital flow into critical projects.
- 3 Coordinate and collaborate with local philanthropic organizations:** Ensuring that local resources are leveraged, have a better understanding of the landscape of NGO's and community-based entities and contribute towards collective action efforts.
- 4 Facilitate impact investment infrastructure:** Invest in the development of a supportive ecosystem for impact investments in Puerto Rico, leveraging the substantial public funding dedicated to recovery. Philanthropies should sponsor technical assistance for NGO's and governmental agencies to incorporate blended finance models into their initiatives. This effort includes building local capacity to design, manage, and evaluate projects that can attract both philanthropic and private investments, creating a more robust framework for sustainable development.

## INTERNATIONAL AND U.S. BASED INVESTORS

- 1 Incorporate Puerto Rico in Investment Mandates:** International investors should explicitly include Puerto Rico within their investment mandates, recognizing its unique potential for growth and impact. This includes assessing the island's economic landscape for opportunities that align with their investment goals, thus contributing to Puerto Rico's economic development and resilience.
- 2 Engage in Blended Finance Projects:** Learn more about the benefits and mechanics of blended finance in Puerto Rico, seeking opportunities to participate in projects that leverage both public and private funds. This approach can maximize the impact of their investments by pooling resources and spreading risk, particularly in sectors critical to Puerto Rico's development.
- 3 Develop Results-Based Finance (RBF) Options:** Collaborate with the Puerto Rican government and local stakeholders to explore and implement RBF options. By investing in projects like social impact bonds or pay-for-success models, which are contingent on achieving specific social outcomes, investors can drive significant improvements in areas such as education, healthcare, and infrastructure, ensuring their investments have measurable and meaningful impacts.

## OTHER REFERENCED WORKS

- 1 Acs, Gregory, Diana Elliott, and Emma Kalish. "What Would Substantially Increased Mobility from Poverty Look Like?" Urban Institute, July 2016.
- 2 Bellens, Jan. "How Banks Can Play a Stronger Role in Accelerating Financial Inclusion." 25 Apr. 2018, [www.ey.com/es\\_gt/trust/can inclusive banking drive economic growth in emerging markets](http://www.ey.com/es_gt/trust/can_inclusive_banking_drive_economic_growth_in_emerging_markets).
- 3 Building the Biworkforce of the Future: Expanding Equitable Pathways into Biotechnology and Biomanufacturing Jobs. June 2023.
- 4 Cernadas, Rosmery. "La Realidad Del Maltrato Infantil En Puerto Rico." BeHealth, 18 Aug. 2023, [www.behealthpr.com/la-realidad-del-maltrato-infantil-en-puerto-rico](http://www.behealthpr.com/la-realidad-del-maltrato-infantil-en-puerto-rico).
- 5 Chetty, Raj, and Nathaniel Hendren. "The Impacts of Neighborhoods on Intergenerational Mobility: Childhood Exposure Effects and County-Level Estimates." Harvard University, Apr. 2015.
- 6 Chetty, Raj, Nathaniel Hendren, Patrick Kline, and Emmanuel Saez. "Economic Mobility." The Stanford Center on Poverty and Inequality, 2015.
- 7 "Child Poverty Rate Still Higher Than for Older Populations but Declining." Census.gov, 21 Dec. 2023, [www.census.gov/library/stories/2023/12/poverty-rate-varies-by-age-groups.html](http://www.census.gov/library/stories/2023/12/poverty-rate-varies-by-age-groups.html).
- 8 "Do Good Jobs Promote Economic Mobility and if so, How?" WorkRise Network, [www.workrisenetwork.org/working-knowledge/do-good-jobs-promote-economic-mobility-and-if-so-how](http://www.workrisenetwork.org/working-knowledge/do-good-jobs-promote-economic-mobility-and-if-so-how).
- 9 Economic Mobility: Measuring the American Dream | HUD USER, [www.huduser.gov/portal/pdredge/pdr\\_edge\\_featd\\_article\\_071414.html](http://www.huduser.gov/portal/pdredge/pdr_edge_featd_article_071414.html).
- 10 Ellwood, David T., et al. "Creating Mobility from Poverty: An Overview of Strategies." Urban Institute, Aug. 2016.
- 11 Fall, Coura, and Richard V. Reeves. "Seven Key Takeaways From Chetty's New Research on Friendship and Economic Mobility." Brookings, 2 Aug. 2022, [www.brookings.edu/articles/7-key-takeaways-from-chettys-new-research-on-friendship-and-economic-mobility](http://www.brookings.edu/articles/7-key-takeaways-from-chettys-new-research-on-friendship-and-economic-mobility).
- 12 "Good Jobs Champions Group - the Aspen Institute." The Aspen Institute, 14 Feb. 2024, [www.aspeninstitute.org/programs/good-jobs-champions-group](http://www.aspeninstitute.org/programs/good-jobs-champions-group).
- 13 "Job Quality Toolkit." U.S. Department of Commerce, [www.commerce.gov/work-us/job-quality-toolkit](http://www.commerce.gov/work-us/job-quality-toolkit). Accessed 22 March 2024.
- 14 Kelly, Erin L., et al. "How Do Employer Practices Affect Economic Mobility?" ILR Review, vol. 76, no. 5, SAGE Publications, July 2023, pp. 792-832, Crossref, <https://doi.org/10.1177/00197939231186607>.
- 15 Matos Moreno, Amílcar, et al. "Aging and the Left Behind: Puerto Rico and Its Unconventional Rapid Aging." The Gerontologist, vol. 964-973, no. 7, 13 June 2022, <https://doi.org/10.1093/geront/gnac082>.

- 16 Méndez, Osman Pérez. "Estudio Muestra Ruta Para Tratar El Estrés Postraumático Por Eventos Naturales En Menores." Primera Hora, 7 June 2023, [www.primerahora.com/noticias/puerto-rico/notas/estudio muestra ruta para tratar el estres postraumatico por eventos naturales en menores](http://www.primerahora.com/noticias/puerto-rico/notas/estudio-muestra-ruta-para-tratar-el-estres-postraumatico-por-eventos-naturales-en-menores).
- 17 Perez-Johnson, Irma, and Harry Holzer. "The Importance of Workforce Development for a Future-Ready, Resilient, and Equitable American Economy." American Institutes for Research, Apr. 2021.
- 18 Puerto Rico PYs 2020-2023 - WIOA State Plan Common Elements - Economic Analysis - Ac4bf4bd-a966-4aa0-94db-0a8a41026d07 | WIOA State Plan Portal, [wioaplans.ed.gov/node/13521](http://wioaplans.ed.gov/node/13521).
- 19 Shearer, Chad, and Isha Shah. "Opportunity Industries." Brookings, 13 Dec. 2018, [www.brookings.edu/articles/opportunity-industries](http://www.brookings.edu/articles/opportunity-industries).

