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Think Strategically

Inequity Exposed: The Two Puerto Rico's and the Call for Strategic Solutions

The Tale of the Two Puerto Rico's Disparity Unveiled

Embarking on a journey through the heart of Puerto Rico, our map reveals the vibrant hues of its culture and traditions and unravels a stark dichotomy—two distinct worlds veiled beneath the veil of unity. Welcome to the tale of the Two Puerto Ricos, a narrative etched in economic complexities and disparities that demand our immediate attention and urgent action.

Allow me to present this picture: a map shaded with the aspirations and struggles of our people. A gradient of hues signifies more than just geographic diversity—it paints a portrait of economic realities full of struggle.

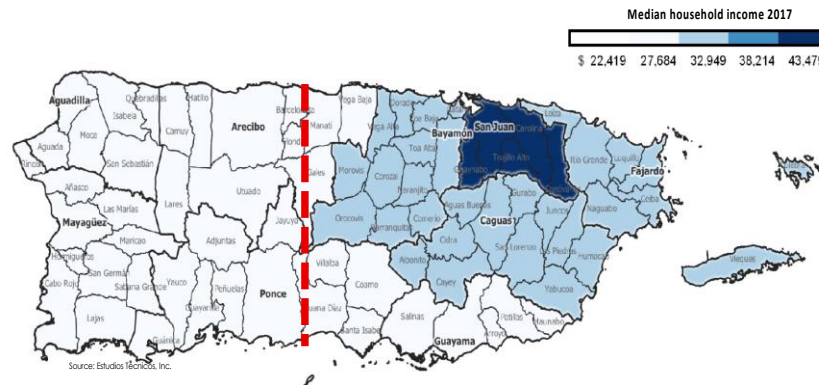
As you glance at the map of Puerto Rico, each municipality shaded by its median household income (MHI):

- White: \$22,419 MHI and 25.17% below the poverty line.
- Light Blue: \$27,614 MHI and 7.83% below the poverty line.
- Blue: \$32,949 MHI and 9.97% above the poverty line.
- Medium Blue: \$38,214 MHI and 27.55% above the poverty line.
- Navy Blue: \$43,479MHI and 45.12% above the poverty line.

As the red line emerges in Manatí, it is not a mere cartographic feature but a symbolic revelation of the stark differences in the quality of life of many of our fellow Puerto Ricans. It delineates the economic tapestry, exposing a divide stretching from Ciales to Juana Diaz.

A sharply defined vision that divides our island into two realities comes to light in the tapestry of Puerto Rican identity woven with purpose, rich culture, traditions, and mutual respect. Our island, united in geography and dreams, now reveals an unsettling truth through the lens of economic disparities.

The median household income disparity create two Puerto Rico's



West of the red imaginary line is a very different Puerto Rico from the eastern side.

As the algorithm charts this economic landscape, It unveils two distinct Puerto Ricos, each facing unique challenges.

To the west of this symbolic red line, encompassing 32 cities, and another 8 in the east for a total of 40 cities and 51.28% of Puerto Rico, the median household income stands at a mere \$22,419 – a significant \$7,541, or 25.17%, below the poverty threshold for a family of four, as reported by the U.S. Department of Health and Human Services in January 2023, which stood at \$29,960.

Contrast this with the eastern counterparts, where the majority boast a median household income of \$32,949 despite approximately eight cities below the poverty line; when we compare San Juan and the metropolitan area, including Bayamón and Guaynabo, the median household income soars to \$43,479 a staggering 93.93% higher than the impoverished Puerto Rico to the west. Even in the lower income areas, with \$32,949 compared to the rest of the island's west side, the income is 46.96% higher than that of the western counterpart.

As we absorb this disparity, let us not only feel a sense of shame but also kindle a collective anger. The delineation on the map is not just a graphical representation; it's a testament to the urgent need for change, for equitable opportunities, and for a Puerto Rico united against the injustice woven into its economic fabric. Our collective emotion should transcend shame; it should spark a fervent determination to dismantle the barriers that perpetuate such stark inequalities in our beloved island.

Reviewing the median household income to the bottom five states in the U.S. underscores the urgency:

- New Mexico: \$56,420
- Kentucky: \$55,880
- Arkansas: \$53,980
- West Virginia: \$52,460
- Mississippi: \$48,610

For perspective, consider Mississippi, the poorest state in the U.S., with a median household income of \$48,610. Against this backdrop, the west of Puerto Rico at \$22,419 is 116.82% lower, while the eastern side at \$32,949 is 47.53% lower.

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When we expand the view to the top five states, the inequality is even more dire:

- Maryland: \$108,200
- Utah: \$95,800
- Massachusetts: \$93,550
- New Jersey: \$92,340
- Hawaii: \$91,010

The gap widens from 382.62% in Maryland to 305.95% in Hawaii, exposing the depth of existing inequalities. Even the eastern Puerto Rico, with a median household income of \$32,949, falls 176.21% below Hawaii and 228.38% lower than Maryland.

These profound disparities demand not only attention but also strategic interventions. Puerto Rico is not a monolith; it is two divergent economic entities that call for nuanced, targeted efforts to ensure a more equitable future for all.

One of the quickest ways to create wealth and not poverty is to allow the private sector to lead the way, eliminating all barriers to entry and creating robust economic freedom.

Economic freedom is one of man's most significant tools; it has permitted nations to advance in living standards, health, knowledge, multicultural harmony, entrepreneurship, competitiveness, environment, social progress, social justice, and democracy. The top five nations are #1 Singapore, #2 Switzerland, #3 Ireland, #4 Taiwan, and #5 New Zealand, all examples of growth, economic development, and robust wealth creation, and on the opposite side, the top bottom nations in economic freedom are #172 Zimbabwe, #173 Sudan, #174 Venezuela, #175 Cuba and #176 North Korea are the poorest, with small economies, starving citizens and limited or no freedom.

Becoming a nation in the Top 35 of Ease of Doing Business

We aim to improve Puerto Rico's ranking within three years and regain our position within the top 35 in Ease of Doing Business. As we search to achieve this primary goal, we must seek economic freedom, and by this, we seek a system that provides these four benchmarks:

1. **Individual liberty:** is the freedom of individuals to exercise rights that are considered beyond government control and make decisions to satisfy their desires.
2. **The rule of law:** is the supremacy of the law, equal protection under the law, and impartial enforcement of the law that allows the coexistence of individuals within a society.
3. **Right to private property:** the individual's ability to acquire and own property for personal and commercial use.
4. **Limited Government:** circumscribes the state's power to the constitution and the law to prevent it from acting arbitrarily.

Also crucial in the operation of these pillars are financial freedom, fiscal freedom, freedom of investment, and freedom to invest.

Puerto Rico ranked not only 51 among the worst positions of any state but more than two times lower than the lowest among the U.S. regarding economic freedom. The Index of Economic Freedom assesses countries based on various factors, including property rights, government integrity, tax burden,

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government spending, advances in living standards, health, knowledge, multicultural harmony, entrepreneurship, competitiveness, environment, social progress, social justice, and democracy.

Transformative Goals to create a new Puerto Rico:

- Transform Puerto Rico with robust economic development and sustained the growth of 4% within the next ten years.
- Re-focus our industrial structure model towards one in which employment is directed towards activities related to the knowledge-based economy with not less than 25% of GNP within ten years.
- Create 300,000 new jobs in the private sector within ten years.
- Increase the labor participation rate to 55% within ten years
- Reduce the unemployment rate to 5% within ten years
- Reduce the government apparatus by transferring to the private sector any corporation, operation, or service that the private sector can perform more efficiently.
- Increase median household income by 47%, from the current \$22,419 to at least \$32,949.
- Transform the educational system from primary to university level into one focused on entrepreneurship, trades, and transformation.

These goals create more than \$15.5 billion in new economic activity, wealth creation, job growth, and education before analyzing the benefits of extracting the Government from businesses that the private sector can do better.

As we adopt and seek these goals, we become the change agents we want in the world and Puerto Rico.

What hinders both private sector and political leaders from embracing these objectives?

Parting with some noteworthy facts: Firstly, the per capita income in nations endorsing economic freedom is up to 8 times higher than in those following socialist models. In capitalist countries, the per capita income stands at \$63,588, in stark contrast to \$7,716 in nations with more closed and intervened economic systems—a staggering 723.7% difference. These economic advancements coincide with a substantial reduction in poverty rates. Countries with high economic freedom exhibit a mere 6% poverty rate. In stark contrast, Puerto Rico grapples with a poverty rate of 42.7%, encompassing 1.328 million individuals out of a population of 3.111 million living below the poverty line. This figure surpasses the U.S. poverty rate of 12.4%, and Puerto Rico's poverty level, at 42.7%, is 244.35% higher than the U.S. poverty rate.

Does this not serve as ample motivation to reconsider our trajectory and explore alternative ideas?

Progress remains an elusive dream without the embrace of change. Though change may bring discomfort, it pales compared to the enduring pain of perpetuating poverty. Recognize change as the transformative force that molds our future into a beacon of possibility.



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