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Think Strategically

Government Progress Index for Governor Jennifer González Reaches 21.5: Puerto Rico Shows Early Gains Amid a Commonwealth of Czars

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Measuring Puerto Rico's Path Forward with the GPI

The Birling Capital Government Progress Index is Puerto Rico's most transparent and data-driven tool for evaluating government performance. Built on over 20 independent data sources, the Index tracks 16 critical indicators across five key pillars: economic activity, public services, labor conditions, public safety, and fiscal soundness. Each quarter, we utilize this tool to evaluate the government's effectiveness in addressing structural challenges and delivering results for the people of Puerto Rico.

How the Index Works: Score Ranges

- **40–50: Transformational Progress:** Broad, sustained improvements across the economy and public services; high-impact execution.
- **30–39: Strong Momentum:** Positive trends are evident in most areas, though some gaps remain; progress is clear but incomplete.
- **20–29: Moderate Progress:** Mixed results—some gains achieved, but key structural challenges remain unresolved.
- **Below 20: Minimal or Regressive Performance:** Little to no improvement, deterioration or policy stagnation.
- **Current Assessment** as of August 3, 2025, the Governor earns a Government Progress Index score of 21.5 out of 50, placing it in the “Moderate Progress” category, a 7.50% improvement from the GPI measured at the 100 Days mark, with a GPI of 20.

Governor Jennifer González			
Benchmarks for Puerto Rico	25-Aug	25-Jan	Change
Price per liter of regular gasoline	\$0.75	\$0.75	0.00%
Puerto Rico Manufacturing PMI Index	47.3	46.4	1.94%
Sales of bags of cement	1,350,000	1,108,000	21.84%
Type 1 Crime Statistics	1,682	1,801	-6.61%
System Average Interruption Duration Index	Non Compliance	1,414 min	N/M
Auto Sales	10,523	9,549	10.20%
Unemployment	5.50%	5.40%	1.85%
Gross Domestic Product Growth Forecast	2.10%	2.20%	-4.55%
Economic Activity Index	-1.00%	-1.10%	-9.09%
Labor Participation Rate	45.10%	44.80%	0.67%
Household Ownership Rate	64.00%	64.00%	0.00%
Average Per Capita Income	\$21,551	\$20,525	5.00%
Birling Puerto Rico Stock Index	3,952.09	3,598.01	9.84%
Government Bond Debt	\$34,000,000	\$34,000,000	0.00%
Credit Rating	D	D	In Process
Market Access	Limited	Limited	In Process
Birling Government Progress Index	21.5	20	7.50%

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Puerto Rico is showing signs of resilience in areas such as consumer confidence, construction, and income growth; however, the pace of structural reform remains slow, and several core issues, including energy and water reliability are unresolved. This update offers a precise snapshot of where Puerto Rico stands—and where sustained action is still needed.

Puerto Rico's Performance Benchmarks Data in Detail

Economic Activity: Moderate Growth with Pockets of Strength

- **Price per Liter of Gasoline** remained unchanged at \$0.75, offering relief to consumers amid global volatility.
- **Puerto Rico Manufacturing PMI** rose modestly from 46.4 to 47.3, a 1.94% increase. Although still below the neutral expansion threshold of 50, this uptick suggests a possible bottoming out in industrial activity.
- **Sales of Sacks of Cement** jumped from 1,108,000 to 1,350,000 bags, a 21.84% increase—clear evidence of continued strength in construction, fueled by federal reconstruction funds and private-sector housing investment.
- **Type 1 Crime Statistics** fell by 6.61%, from 1,801 to 1,682 cases, signaling a reversal in crime trends and reflecting more vigorous public safety enforcement during the first seven months of the administration.
- **System Average Interruption Duration Index (SAIDI)** remains in Non-Compliance. The January reading of 1,414 minutes per customer annually—already 336% above the U.S. average—has not been updated. Anecdotal improvements have not been backed by verified data, leaving this benchmark a persistent concern.
- **Auto Sales** rose to 10,523 units, a 10.20% increase from January. The boost points to greater consumer confidence, possibly linked to rising incomes and looser financing conditions.
- **Unemployment Rate** ticked up slightly from 5.40% to 5.50%, a 1.85% rise. While the rate remains historically low, the slight increase may signal a plateauing labor market or reentry by discouraged workers.
- **Gross Domestic Product Growth Forecast** declined from 2.20% to 2.10%, a 4.55% drop. Though the change is modest, it reflects growing caution over energy instability, tariff impacts, and fiscal drag.
- **Economic Activity Index (EAI)** improved marginally from -1.10% to -1.00%, a 9.09% change. While still in contraction, this movement suggests a possible inflection point after a prolonged period of decline.
- **The labor participation rate** rose from 44.80% to 45.10%, an increase of 0.30%. This modest gain is encouraging, though participation remains well below the U.S. average, revealing deeper structural barriers to workforce reentry.
- **The household ownership rate** remained flat at 64.00%, showing no improvement. This stagnation reflects limited progress in affordability, despite robust building activity and housing demand.
- **Average Per Capita Income** increased from \$20,525 to \$21,551, a 5.00% rise—driven by wage growth in construction, healthcare, and services. This is one of the strongest-performing metrics, signaling growing economic resilience at the household level.
- **Birling Puerto Rico Stock Index** advanced from 3,598.01 to 3,952.09, a 9.84% increase. The equity market reflects investor confidence, supported by the strength of earnings in publicly traded companies and robust fundamentals in the banking sector.

What Is the Birling Capital Puerto Rico Stock Index?

The Birling Capital Puerto Rico Stock Index tracks Puerto Rico's largest and most economically relevant publicly traded companies. It is uniquely constructed to reflect the structural components of the island's formal economy, including banking, payments, fintech, and services.

The nearly **10% rise in the Birling Capital Puerto Rico Stock Index** with an **8.62% stock return in 2025** stands in sharp contrast to a broader economic picture marked by continued contraction—reflected in a **-1.00% Economic Activity Index** and a **revised GDP growth forecast of just 2.10%**. This divergence is not accidental; it underscores a more profound truth: **Puerto Rico's capital markets are signaling forward-looking confidence**, grounded in **real earnings performance** and **institutional strength**. While the **public sector wrestles with structural reform**, the **private sector is already charting a more resilient and competitive path ahead**.

Birling Capital Puerto Rico Stock Index Companies Performance:

1. Evertec, Inc. (EVTC): Fintech Expansion and Recurring Revenue

- **Revenue 2Q25:** \$229.61 million (+8% YoY)
- **Net Income:** \$57.71 million (+7% YoY)
- **EPS:** \$0.89
- **YTD Return:** 0.64%
- **Stock Price:** \$34.75 | **Price Target:** \$38.60
- **Total Assets:** \$1.969 billion

Highlights:

- Expanding in LATAM via acquisitions and partnerships
- Strong cash flow generation and low debt

2. First BanCorp (FBP): Steady Growth with Strong Underwriting

- **Revenue 2Q25:** \$246.80 million (+6.5%)
- **Net Income:** \$80.18 million (+4%)
- **EPS:** \$0.50
- **Tier 1 Capital Ratio:** 14.50%
- **Stock Price:** \$20.32 | **Price Target:** \$25.00
- **Total Assets:** \$18.897 billion

Highlights:

- High capital adequacy and a low-cost funding base
- Growing mortgage origination and loan book diversification

3. OFG Bancorp (OFG): Tech-Driven Lending and High Return on Equity

- **Revenue 2Q25:** \$182.18 million (+1.52%)
- **Net Income:** \$51.80 million (+1.31%)
- **EPS:** \$1.15
- **Tier 1 Capital Ratio:** 13.99%
- **Stock Price:** \$41.78 | **Price Target:** \$50.00
- **Total Assets:** \$12.231 billion

Highlights:

- Digitally enabled small business lending platforms
- High operating efficiency and client retention

4. Popular, Inc. (BPOP): Puerto Rico's Financial Anchor

- **Revenue 2Q25:** \$800 million (+8.93%)
- **Net Income:** \$210.44 million (+12.92%)
- **EPS:** \$3.09
- **Tier 1 Capital Ratio:** 15.96%
- **Stock Price:** \$113.19 | **Price Target:** \$134.40

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- **Total Assets:** \$76.065 billion
- **Highlights:**
- Largest lender and deposit-taker in Puerto Rico
- Substantial fee income from corporate and wealth services
- Systemic financial institution with a robust U.S. footprint.



Birling Capital PR Stock Index: Evertec, Firstbank Oriental & Popular



5. Consolidated Results for the Puerto Rico Public Companies

On a consolidated basis, the financial overview for 2Q25 of the companies in the Birling Capital Puerto Rico Stock Index:

- **Total Revenue 2Q25:** \$1.458.59 billion
- **Total Net Income 2Q25:** \$400.13 million
- **Total Assets 2Q25:** \$107.196 billion
- **Market Capitalization as of 8/1/25:** \$15.064 billion.

These figures reflect the collective strength and economic weight of Puerto Rico's leading publicly traded companies, providing the best outlook for the Puerto Rico Economy.

Fiscal and Financial Position: Unchanged, Still Fragile

- Government Bond Debt remains at \$34 billion, though the debt remains stable, progress on long-term fiscal discipline and restructuring remains slow.
- The credit rating remains D, with the reassessment process noted as 'In Progress'. Any rating upgrade will depend on PREPA resolution, sustainable primary surpluses, and structural budget reforms.
- Market Access continues to be limited and while certain public corporations have tested the capital markets, the central government remains sidelined pending credit normalization and renewed investor trust.

Key Strategic Priorities Critical for Puerto Rico:

- **Resolve the Energy Crisis:** With the grid still in Non-Compliance, Governor González must either reform or replace current management contracts and accelerate infrastructure upgrades.
- **Capitalize on Federal Funds:** Over \$68 billion in approved reconstruction dollars remain unspent. Effective execution can transform Puerto Rico's energy, water, health, and transportation networks.
- **Labor Force Activation:** Structural reforms to childcare, training, transportation, and wage subsidies are needed to lift labor force participation above 50%.
- **Fight Healthcare Disparities:** Puerto Rico receives 69% less per capita in healthcare funding than U.S. states. Congressional parity and system-level reform remain critical to avoid collapse.
- **Reignite Nearshoring and Manufacturing:** Puerto Rico must expedite regulatory and permitting reforms to establish itself as the manufacturing backbone of the Trump administration's reshoring strategy.

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The Final Word: Puerto Rico A Czars Commonwealth

As of August 3, 2025, Governor Jennifer González has delivered early progress in public safety, construction, and consumer confidence. Economic growth is rising, the stock market is expanding, and key economic indicators are trending positively. Yet, the most difficult problems—energy reliability, healthcare discrimination, and labor underutilization—remain unresolved, and most have worsened. The administration faces an uncomfortable paradox: the very areas that determine long-term progress, energy and water reliability, a sustainable economy, healthcare equity, and labor force growth remain unresolved. In fact, in many respects, they have worsened. In response, the Governor has restructured government operations around a model built on czars and task forces. Each is designed to provide focused, cross-agency coordination, bypassing traditional bureaucratic bottlenecks. The model is assertive, hierarchical, and meant to deliver results quickly. It marks a notable departure from past administrations and defines her leadership style.

Profiles of Key Czars & Task Forces

- **Energy Czar – Josué Colón Ortiz**
Appointed by executive order in January 2025, Colón oversees Puerto Rico's entire energy portfolio—including supervision of Genera PR and LUMA Energy. His position carries authority over regulatory agencies and federal partnerships related to grid modernization.
Energy Task Force: This unit, led by the Energy Czar, was tasked with designing policy reforms, legislative proposals, and alternative operator models for the grid.
- **LUMA Oversight Task Force:** Created to scrutinize grid performance and enforce contracts after widespread outages. This body led audits, initiated public actions against LUMA, and catalyzed civil litigation.
- **Energy Emergency Task Force:** Activated with an expanded state of energy emergency in April 2025. The task force coordinated critical grid repairs, emergency generation projects, and secured permit waivers, aligning with federal energy priorities
- **Water Crisis Czar – Carlos Ignacio Pesquera**
In response to disruptive water outages, Engineer Carlos Pesquera was tapped as a special coordinator to oversee stabilization efforts for key areas, including San Juan, Guaynabo, and Isla Verde, working closely with PRASA.
- **Government Efficiency Task Force: Verónica Ferraiuoli**
Following the withdrawal of her nomination for Secretary of State, Ferraiuoli continued serving as Efficiency Coordinator at La Fortaleza and Executive Director of the Convention Center District. In this role, she leads efforts to streamline administrative operations and improve internal processes across government.
The economic case for reform is clear.

We calculated the economic impact of the Economic Freedom Institute for Puerto Rico, suggesting that eliminating 50 outdated laws and barriers to market access could unleash up to \$37.4 billion in GDP growth. Economic freedom is not ideology—it's a strategy for survival and growth. Puerto Rico ranks dead last in regulatory efficiency among U.S. jurisdictions.

The path is measurable:

- **Regulatory Reforms:** Up to \$7.49B
- **Tax Simplification:** Up to \$4.28B
- **Labor Market Modernization:** Up to \$5.35B
- **Trade Liberalization:** Up to \$6.42B
- **Infrastructure Investment:** Up to \$5.35B
- **Tech & Innovation Support:** Up to \$8.56B

As a counterpoint, this is not merely an administration—it is an experiment in centralized problem-solving, crisis command, and executive acceleration. As Puerto Rico navigates its most complex structural challenges in a generation, it is clear: Puerto Rico has become a Commonwealth of Czars—where decision-making is concentrated and performance is the currency of power.

The following quarters will determine whether this model delivers sustainable outcomes—or whether it concentrates authority without providing impact.

While some see bold leadership, others question the role of agency heads in delivering results for Puerto Rico. Time, as always, will be the final and impartial judge.



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