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# Think Strategically

## The Government Progress Index Measures First 100 Days of Governor Jennifer González

April 14, 2025

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### Unbiased, irrefutable and fair benchmarking to measure Government Progress

The **Government Progress Index** is a proprietary metric developed by **Birling Capital** to evaluate a government's performance using objective data drawn from more than 20 independent sources. With a maximum score of **50 points**, the Index assesses Puerto Rico's economic conditions, quality of life, public policy execution, and overall government direction.

Now, as Governor Jennifer González completes her **first 100 days**, Birling Capital unveils its initial score: **29 out of 50 points**—a solid foundation, and a clear demonstration of momentum across critical benchmarks. The Government Progress Index allows citizens to understand what success looks like and learn how to recognize it by evaluating our metrics.

Our report offers a transparent analysis of the administration's progress from January 2 to April 12, 2025, and we note the areas of improvement and contraction; let's review the specific benchmarks.

Governor Jennifer González			
Bechmarks for Puerto Rico	25-Apr	25-Jan	Change
Price per liter of regular gasoline	\$0.76	\$0.75	0.67%
Puerto Rico Manufacturing PMI Index	52.4	46.4	12.93%
Sales of bags of cement	1,261,000	1,108,000	13.81%
Type 1 Crime Statistics	1,569	1,801	-12.88%
System Average Interruption Duration Index	Non Compliance	1,414 min	-100.00%
Auto Sales	12,072	9,549	26.42%
Unemployment	5.40%	5.40%	0.00%
Gross Domestic Product Growth	2.10%	2.20%	-4.55%
Economic Activity Index	-1.10%	-1.10%	0.00%
Labor Participation Rate	44.80%	44.80%	0.00%
Household Ownership Rate	64.00%	64.00%	0.00%
Average Per Capita Income	\$25,096	\$24,002	4.56%
Birling Puerto Rico Stock Index	3,309.77	3,598.01	-8.01%
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	29		

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- **Price per Liter of Gasoline:**

Gasoline prices rose slightly from **\$0.75 in January** to **\$0.76 in April**, a **0.67% increase**. While modest, this reflects the ongoing volatility in global oil markets, which are still influenced by geopolitical tensions. The increase impacts consumer budgets and transportation-related industries.

- **Puerto Rico Manufacturing PMI:**

The PMI surged from **46.4 to 52.4**, a **12.93% increase**, signaling that manufacturing activity shifted from contraction to expansion. This is a significant turnaround for a sector that accounts for 45% of Puerto Rico's GDP.

- **Sales of Bags of Cement:**

Construction activity remained robust, with cement sales increasing from **1,108,000 bags** in January to **1,261,000 in April**, a **13.81% rise**. This reflects a higher demand for public and private construction, reconstruction, and development projects.

- **Type 1 Crime Statistics:**

Crime incidence decreased from **1,801 in January** to **1,569 in April**, a **12.88% reduction**, signaling improved public safety efforts and enforcement outcomes in the first 100 days of the administration.

- **Electric Grid Reliability (SAIDI):**

In January, Puerto Rico recorded a System Average Interruption Duration Index (SAIDI) of **1,414 minutes**, far above acceptable levels. As of April 11, 2025, the most recent publicly available data for Puerto Rico's System Average Interruption Duration Index (SAIDI) By April, was classified as **Non-In Compliance** according to the Puerto Rico Energy Bureau, while anecdotally, the system seems to have improved somewhat without the SAIDI measure it remains just that anecdotally. The last SAIDI figure of 1,414 minutes per customer or 23.56 hours is 336.41% above the United States national average of **342 minutes**, approximately **5.7 hours**. Puerto Rico's Electric grid reliability remains below U.S. standards, and urgent corrective measures are needed.

- **Auto Sales:**

Auto sales rose dramatically, from **9,549 units in January** to **12,072 in April**, a **26.42% increase**. This rebound indicates stronger consumer confidence and possibly the release of pent-up demand or improved access to financing.

- **Unemployment:**

The unemployment rate remained steady at **5.40%**, showing no change. While this represents a historically low level, progress stalled during the quarter, suggesting the labor market may be nearing complete absorption under current conditions.

- **Gross Domestic Product Growth (GDP):**

GDP growth slowed slightly from **2.20% to 2.10%**, a **4.76% decline** quarter-over-quarter. Though the decrease is minimal, it signals a need for vigilance against broader economic slowdowns. Also, the Puerto Rico Planning Board provided updated GDP projections for 2025 of 1.10% GDP and ).50% GDP for 2026.

- **Economic Activity Index (EAI):**

The EAI remained unchanged at **-1.10%**, indicating that while the Index is no longer deteriorating, it has yet to show signs of recovery. The Index remains a key area of concern. For the last nine months, the Index has been contracting, outlining a path of slow deterioration. The EAI fell from 0.40% in February 2024 to -1.10% a 375% decrease.

- **Labor Participation Rate:**

Holding at **44.80%**, the labor participation rate did not improve during this period, pointing to structural challenges in mobilizing the available workforce.

- **Homeownership Rate:**

The homeownership rate remained flat at **64.00%**, showing no change. This suggests a plateau in residential property ownership and may signal affordability constraints or limited housing supply.

- **Average Per Capita Income:**

Income levels grew from **\$24,002 to \$25,096**, a **5.00% increase** in three months—one of the strongest-performing indicators. This rise likely reflects wage gains and higher employment in better-paying sectors.

- **Birling Puerto Rico Stock Index:**

The Index declined from **3,598.01 in January** to **3,309.88 in April**, a **-8.01% drop**, reflecting short-term volatility in the equity markets for the Trump Tariff regime and some profit-taking after a strong 2024.

- **Government Bonded Debt:**

Puerto Rico's public debt remained unchanged at **\$34 billion**, with no new issuance or reduction.

- **Credit Rating:**

Puerto Rico remains at a **"D" rating**, and the process of reassessment is ongoing.

- **Market Access:**

The island's access to capital markets is still classified as **Limited**, with no improvement yet observed.

- **Birling Government Progress Index (BGPI):**

The composite score for the quarter is 29, reflecting moderate progress across key indicators but signaling the need for improved infrastructure performance, job creation, and fiscal reform.

## Charting the Course towards Economic Growth in Puerto Rico

The Unbiased Government Progress Index and its benchmarks show steady and sustained economic progress during the first three years in office. As seen in our discussion and noted in the following economic benchmarks, Governor González begins to steer Puerto Rico's economic course towards growth and this immediate progress is a good start that must continue to bear results.

### Puerto Rico's Most Pressing Issues – 2025

1. **Leveraging Federal Reconstruction Funds**

- **Puerto Rico has \$119.7 billion in approved Federal Funds.** As of 2025, \$68.08 billion remains unspent. The effective deployment of these funds—particularly for energy, water, healthcare, and transportation—is critical. These represent a once-in-a-generation opportunity to rebuild Puerto Rico's infrastructure, improve resilience, and stimulate long-term economic development.

2. **Becoming the Preferred Manufacturing and Nearshoring Territory of the U.S.**

Puerto Rico is strategically positioned to reclaim its role as a leading U.S. manufacturing hub. With its FDA-compliant infrastructure, U.S. legal framework, bilingual workforce, and robust industrial base, the Island is primed for a renaissance in advanced sectors.

- **Pharmaceutical and Biotech Leadership:** 12 of the top 20 global pharmaceutical and biotech companies have manufacturing sites in Puerto Rico.
- **Medical Device Presence:** 12 of the top 20 medical device manufacturers operate on the Island.

- **Agricultural Biotechnology:** Puerto Rico supports the development of "crops of the future" (corn, soybean, cotton, rice) by global innovators such as Monsanto, Syngenta, and Pioneer.
  - **Policy Tailwinds:** With President Trump's reshoring agenda and tariff realignment, Puerto Rico stands to benefit from renewed investment in domestic manufacturing
3. **Puerto Rico's Fiscal Stability: Post-Bankruptcy Challenges and Oversight:**
    - Puerto Rico's debt was reduced from \$70 billion to \$34 billion—a 50.72% cut—and annual debt service was lowered to \$1.15 billion, saving 70.50% per year.
    - **Unresolved Risk – PREPA:** The Puerto Rico Electric Power Authority (PREPA) remains the largest unresolved component of the bankruptcy. With over **\$9 billion in debt**, PREPA's future is tied to ongoing litigation, stalled restructuring plans, and a fragile grid that undermines economic recovery and investor confidence.
    - The debt restructuring provided a vital reset. However, Puerto Rico's fiscal future will remain uncertain until PREPA is resolved and structural reforms are enacted.
  4. **Transition from NAP to SNAP:** Puerto Rico remains under a capped block grant (PAN), unlike the entitlement-based SNAP program in U.S. states. Transitioning would allow greater flexibility and meet fluctuating needs—which is especially important since 48% of Puerto Ricans rely on nutritional assistance. Although the grant rose by \$463.8 million, structural limitations persist until SNAP parity is achieved.
  5. **Eliminate the Healthcare Discrimination:**
    - **Healthcare Funding Gap:** Puerto Rico receives **69% less federal healthcare funding** than U.S. states. The U.S. Congress discriminates against Puerto Rico in healthcare funding. While U.S. citizens in the states receive **\$13,000 per person annually**, Puerto Ricans receive only **\$4,000—a \$9,000 shortfall per citizen**, totaling **\$29.9 billion annually** in underfunding.
  6. **Representation in National Policy:** Elevating Puerto Rico's significance and contributions Washington is necessary to ensure that national priorities reflect the needs of its 3.2 million U.S.

### Governor Jennifer González's First 100 Days: A Promising Start Facing Structural Crises

Governor Jennifer González assumed office with a clear mandate: to fix Puerto Rico's longstanding structural problems—chief among them, the Island's fragile electric grid and its collapsing healthcare ecosystem. Yet, as the first 100 days of her administration draw close, these two critical challenges have tested her leadership and exposed the depth of Puerto Rico's institutional vulnerabilities.

#### 1. A Promised Fix Becomes a Crisis

Governor Jennifer González vowed to fix Puerto Rico's electric grid—but just hours before 2025 began, the entire island plunged into darkness. A massive blackout on December 31 lasted through New Year's Day, followed by a second outage that stretched into January 2. Any honeymoon for the new administration ended there.

With persistent blackouts, slow response times, and rising bills, public frustration has surged. Beyond the inconvenience, the fragile grid continues to repel investment and destabilize Puerto Rico's economy—turning a campaign promise into a pressing leadership test.

#### 2. Healthcare System in Crisis: Demographics, Disinvestment, and Disparities

One of the keys to Puerto Rico's healthcare issues is the total Population loss of 696,736 or 18.29%, affecting most hospitals. The second issue is the Federal Discrimination in Healthcare Funding. Puerto Rico receives just \$4,000, and the U.S. states receive \$13,00 per capita. The other issue is the Severe Physician Shortage, which Puerto Rico has lost in the past decade; 5,000 doctors.

#### 3. Demographic Collapse: The Inescapable Long-Term Threat

Puerto Rico's population decline is no longer a trend—it's a full-blown crisis. Deaths now outnumber births, and the population fell below the 2025 projection of 3.1 million years ahead of schedule.

This demographic collapse is reshaping the island's future. A shrinking labor force means fewer workers to sustain healthcare, pensions, and economic growth. By 2030, nearly 30% of the population will be over 65, placing enormous pressure on healthcare, housing, and social services. Meanwhile, declining school enrollment threatens the island's future talent pool and long-term competitiveness. Puerto Rico must act decisively—before this demographic shift becomes irreversible.

### The Final Word: Puerto Rico at a Crossroads: Bold Action or Missed Opportunity

Governor Jennifer González's first 100 days have exposed Puerto Rico's deep structural cracks—from a fragile power grid to a healthcare system on the brink. These aren't political problems—they're existential threats. But within crisis lies opportunity. This is the moment to define her governorship through bold reform and strategic execution. The Governor must act fast to:

- Protect Puerto Rico's federal funding amid Trump-era program cuts
- Fix or replace LUMA to ensure energy reliability
- Demand full healthcare parity from Congress
- Overhaul the healthcare model with a focus on prevention, retention, and demographics

The Economic Case for Reform Is Clear and according to the *Economic Freedom Institute for Puerto Rico*, eliminating over 50 outdated laws and barriers could unleash **\$24.6 to \$37.4 billion** in GDP growth. The path is measurable:

- **Regulatory Reform:** +\$5.35B to \$7.49B
- **Tax Simplification:** +\$2.14B to \$4.28B
- **Labor Market Modernization:** +\$3.21B to \$5.35B
- **Trade Liberalization:** +\$4.28B to \$6.42B
- **Infrastructure Investment:** +\$3.21B to \$5.35B
- **Tech & Innovation Support:** +\$6.42B to \$8.56B

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. Fixing that is not optional—it's urgent.

The people didn't vote for the status quo. They voted for change. Birling Capital's *Government Progress Index* gives Governor González a **29 out of 50**—a promising start, but far from transformational. The next 100 days will define whether this administration delivers results or repeats history.

**Now is the time for action. Puerto Rico's future won't wait.**



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