



Name: Jacobo M. Orenstein-Cardona
Title: Executive Assistant
Organization: Puerto Rico Institute of Statistics
Date: June 13, 2024
Hearing Title: *Examining GAO 's Findings to Address Data Gaps and Improve Data Collection in the Territories*

High-quality statistics are fundamental to a functioning democracy because they provide a factual foundation for informed decision-making and public debate. In a democratic society, the ability of citizens to make educated choices about their governance and policies is paramount. Reliable and accurate statistics ensure that these choices are based on evidence rather than conjecture or misinformation. They enable voters to assess the performance of their government, understand economic and social trends, and hold elected officials accountable. Moreover, high-quality statistics help in the allocation of government resources, as they indicate where investment is needed most, whether in education, healthcare, infrastructure, or other areas. High-quality statistics are also complete and standardized, permitting comparisons between different jurisdictions.

Furthermore, in the context of governance, high-quality statistics are crucial for transparency and trust. They allow for the monitoring of government actions and the measurement of policy outcomes against stated objectives. This transparency fosters trust between the government and the governed, as citizens can see the direct impact of their participation in the democratic process. It also promotes a culture of accountability, where public officials are answerable for their decisions and the resulting outcomes. In essence, high-quality statistics are not just numbers; they are the pillars that uphold the principles of democracy, enabling it to function with integrity and responsiveness to the needs of its people.

The Puerto Rico Institute of Statistics (PRIS) is an independent public entity of the Government of Puerto Rico with authority over the statistical policy of Puerto Rico's public entities. It works tirelessly to ensure universal and timely access to comprehensive and reliable statistics on Puerto Rico. PRIS has been instrumental in correcting Puerto Rico's mortality statistics, eliminating an upward bias in Puerto Rico's Consumer Price Index, identifying millions of dollars in recurrent cost savings for the Government of Puerto Rico, and documenting a statistical bias in the formulas used by the Centers for Medicare and Medicaid Services. PRIS also maintains a publicly available database of statistical products generated by local government and facilitates access to federal data sources. Continuously, PRIS advises the Legislature and the Governor of Puerto Rico on statistical issues and answers statistical petitions presented by key stakeholders and the general public. Additionally, PRIS represents the government of Puerto Rico for statistical purposes before federal agencies and acts as an effective intermediary.

Despite the fundamental importance of statistics, there exist significant **federal statistical gaps with respect to Puerto Rico**. Federal statistical products often contain



gaps in data for Puerto Rico. These gaps limit understanding of the conditions and resource needs of Puerto Rico. **Filling these gaps** is critical for Puerto Rico. These gaps limit the local and Federal government's understanding of the jurisdiction's needs and how to best distribute resources and evaluate the effectiveness of policy interventions. For example, for estimates of Puerto Rico's Gross Domestic Product (GDP), the Bureau of Economic Analysis (BEA) relies heavily on information provided by Puerto Rico government agencies to fill, as best possible, several gaps in federal statistical agency data.¹

PRIS has encountered specific and significant gaps of statistical information regarding Puerto Rico in federal statistical products in diverse topics such as: employment, unemployment and labor force characteristics², local government expenditures³, timely and quarterly GDP calculations⁴, statistics about the educational system⁵, infrastructure, such as motor vehicle registration⁶ and building permits⁷, child abuse⁸, the economic impact of the high rate of homicides⁹, and statistics regarding the penal system¹⁰. This is by no means an exhaustive list of topics for which Puerto Rico lacks complete, standardized, reliable, timely and accessible statistics due to not being included in federal statistical products.

However, we would like to **emphasize two key federal statistical products**, or programs, in which we consider it vital for Puerto Rico to be included. The first one is the Current Population Survey, conducted by the U.S. Census Bureau in conjunction with the Bureau of Labor Statistics, which provides comparable and reliable information regarding employment statistics. This information becomes particularly salient following natural disasters and adverse events, such as Hurricane María in 2017 and the COVID-19 pandemic in 2020. The second product, or program, is the Census of Governments,

¹ BEA, *Technical Report: Gross Domestic Product for Puerto Rico, 2021* (Washington, D.C.: July 31, 2023): <https://www.bea.gov/sites/default/files/2023-07/prgdp0723-tech.pdf>

² Current Population Survey, conducted by the U.S. Census Bureau and the U.S. Bureau of Labor Statistics: <https://www.census.gov/programs-surveys/cps.html>.

³ Census of Governments, conducted by the U.S. Census Bureau: <https://www.census.gov/programs-surveys/cog/about.html>.

⁴ The Bureau of Economic Analysis reports GDP data annually for Puerto Rico, but quarterly for States.

⁵ Puerto Rico is not fully included in the National Center for Education Statistics' National Assessment of Educational Progress, also known as The Nation's Report Card: <https://www.nationsreportcard.gov/ndecore/xplore/nde>.

⁶ Federal Highway Administration State motor vehicle registration: <https://www.fhwa.dot.gov/policyinformation/statistics/2021/mv1.cfm>.

⁷ Building Permits Survey, conducted by the U.S. Census Bureau: <https://www.census.gov/construction/bps/index.html>.

⁸ Centers for Disease Control and Prevention's child abuse statistics: <https://www.cdc.gov/child-abuse-neglect/programs/index.html>.

⁹ Centers for Disease Control and Prevention's Web-based Injury Statistics Query and Reporting System (WISQARS): <https://wisqars.cdc.gov>.

¹⁰ National Prisoner Statistics, conducted by the Bureau of Justice Statistics: <https://bjs.ojp.gov/data-collection/national-prisoner-statistics-nps-program#publications-0>.



conducted by the U.S. Census Bureau, which provides information regarding expenditures at all levels of government. The data collected from the Census of Governments are crucial for federal agencies, state and local governments, and researchers to measure economic and financial performance, develop programs and budgets, assess financial conditions, and conduct public policy research. These two statistical products, or programs, are essential for Puerto Rico's sustained economic development, including helping to resolve Puerto Rico's high level of public indebtedness.

In general, **PRIS supports the findings of the General Accountability Office's recent report.**¹¹ We proceed to share the following comments regarding these findings.

- It is important to note, as does the report, that Puerto Rico has almost 3.3 million residents which represents a population greater than 21 states and a land area close to the size of Connecticut. Additionally, Puerto Rico's GDP in 2021 was greater than 14 states, as can be gathered from Figure 2 of the report.
- We observed the total number of federal statistical products provided by the 13 principal statistical agencies as listed in appendix I of the report. We calculated that there are a total of 449 federal statistical products and Puerto Rico is only included in 81 products (18%). Particularly notable is the case of the National Agricultural Statistics Service which produces 52 statistical products, and of that amount, Puerto Rico (as well as the rest of the territories) is included in only 1 product. This is concerning given that agriculture is an important sector of the economy but has faced immense challenges in the last few decades. PRIS has studied and generated a website that offers information on all agricultural products produced by Puerto Rico from 1990 to 2019.¹²
- It is understandable that a mix of cost, geographic, technical, and other issues contribute to the federal statistical gaps with respect to U.S. territories, including Puerto Rico. However, it is of utmost importance to accurately specify and characterize these issues to be able to address them and thereby strive to increase Puerto Rico's inclusion in federal statistical products.
- Puerto Rico does face enormous economic challenges, which are similar to the other 4 permanently inhabited territories. As indicated in the report, these challenges include outmigration, the high cost of energy and imported goods, vulnerability to extreme weather, an undiversified economy, dependence on tourism and its vulnerability to natural disasters and adverse events (such as the COVID-19 pandemic), governmental indebtedness, and shrinking governmental revenues. This highlights the need for Puerto Rico to be included in federal statistical products in order to accurately measure these challenges and

¹¹ GAO, *U.S. Territories: Coordinated Federal Approach Needed to Better Address Data Gaps*, GAO-24-106574 (Washington, D.C.: May 9, 2024): <https://www.gao.gov/assets/gao-24-106574.pdf>.

¹² Please refer to: <https://estadisticas.pr/en/Agricultura>.



formulate effective public policies thereby enabling increased investment in the jurisdiction.

- We agree that technology and automation can help overcome geographic challenges associated with in-person data collection.
- The problem of the lack of use of standardized address formats can limit Puerto Rico's inclusion in federal statistical products, but the local government, with the assistance of the U.S. Census Bureau, is currently working to address this challenge.
- The U.S. Census Bureau's Puerto Rico Community Survey does include topics on employment, veteran, and disability status, but not to the extent and level of detail provided by the Current Population Survey, especially with its Supplemental Surveys.¹³
- We concur that numerous factors prevent precisely quantifying the effects of data gaps on federal funding to the territories, including Puerto Rico. However, an effort involving federal agencies and local government must be attempted to measure the extent of these effects.
- We recognize that there exist current initiatives on behalf of federal statistical agencies to address existing data gaps, including the upcoming establishment of a Federal Statistical Research Data Center in Puerto Rico. Local government also strives to respond to Puerto Rico's statistical needs. However, we agree that a concerted federal government effort, in collaboration with local government, is necessary to effectively address statistical data gaps. Furthermore, the inclusion of Puerto Rico in a greater number of federal statistical products would ensure that data is collected independently, rigorously and enabling comparability with other U.S. jurisdictions.

PRIS supports the recommendation of the General Accountability Office that the Director of the Office of Management and Budget should ensure that its Chief Statistician develop a "coordinated, government-wide approach for federal statistical agencies to use, in consultation with the U.S. territories and other stakeholders, to examine the costs, benefits, and feasibility of including territories in statistical products and, as appropriate, identify ways to address any data gaps." To improve statistical reliability, Puerto Rico should be included in more federal statistical products, complementing local efforts to mitigate data gaps. This would permit comparability with other U.S. jurisdictions.

It is crucial to fill the existing federal statistical gaps to ensure that Puerto Rico's social and economic needs are correctly understood and addressed effectively. Greater inclusion in federal statistical products would provide Puerto Rico with valuable data that

¹³ Please refer to: <https://www.census.gov/programs-surveys/cps/about/supplemental-surveys.html>.



would inform a wide range of decisions, from disaster response to economic planning. It would also ensure that Puerto Rico is equitably represented in federal statistical products, which would lead to more accurate resource allocation and policy making. Through collaboration with federal and local governments, PRIS can serve as an intermediary and significantly contribute to the inclusion of Puerto Rico in federal statistical products.