



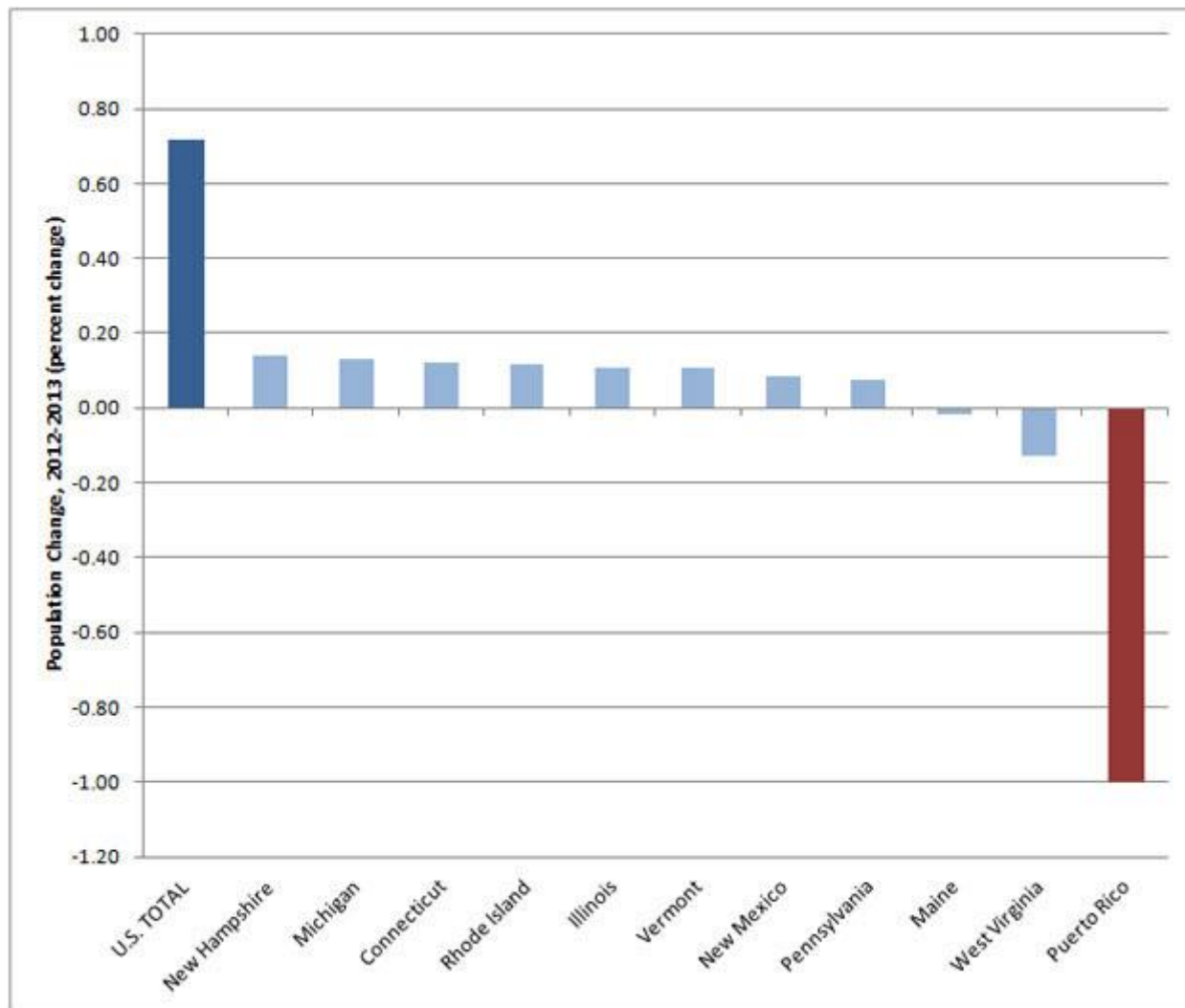
Puerto Rico's Population Continues Rapid Decline

By Danielle Kurtzleben

January 2, 2014

This week, the U.S. Census Bureau reported how state populations changed in 2013. The latest data showed that as of July 1, 2013, the U.S. population continued to grow on an annual basis, albeit a rate of 0.72 percent, its slowest rate in more than 70 years, as The New York Times reported.

Less-noticed is the fact that one place in the U.S. has been experiencing an exodus in recent years. Puerto Rico's population is on a steady decline, and its population loss in 2013 far outstripped that of any of the 50 states. The territory lost more than 36,000 people, or around 1 percent of its population from July 1, 2012, to July 1, 2013 – more than seven times the percentage decline in the next closest state, West Virginia, which lost 0.13 percent of its population. Below is a chart comparing Puerto Rico's population decline to the U.S. as a whole, as well as the 10 states with the slowest growth last year.



Puerto Rico's population similarly fell by nearly 1 percent in both 2012 and 2011. By comparison, only one U.S. state has posted a population decline exceeding 1 percent since 2000: Louisiana, which lost nearly 6 percent of its population due to 2005's Hurricane Katrina, according to data provided to U.S. News by William Frey, demographer at the Brookings Institution.

Puerto Rico's rapid decline is due not to natural disaster but economic disaster, says one expert.

"Puerto Rico is facing a severe Greek-style recession," says Juan Carlos Hidalgo, a policy analyst on Latin America at the Cato Institute. "The last decade, from 2001 to 2011, it was the first decade that the number of Puerto Ricans actually dropped on the island."

Unemployment is high in Puerto Rico – at 14.7 percent as of November – and recent figures suggest its economy as of October had [already shrunk by 5.3 percent since July](#). One factor contributing to the island's decline is its high debt. Yields on Puerto Rico's debt have spiked to nearly 10 percent, a sign investors are nervous about buying the nation's debt. And two major ratings agencies, Moody's and Fitch, have warned that they [could downgrade](#) Puerto Rico's debt to "junk" status.

While the recent recession hit the global economy, Hidalgo says Puerto Rico also helped create its own economic problems.

"The problem with Puerto Rico's economy is mostly homemade. They have a huge public sector that through all the years overspent," he says.

A bad debt situation can be a big hit to economic confidence, which could further hurt the island's fortunes. And a bad economy can mean more debt, as tax revenues decline, creating a vicious cycle.

The island's poor economy has sent many people fleeing the island for the mainland U.S., in search of better jobs, says Hidalgo. Indeed, the island lost more than 38,000 people (nearly 1 percent of its population) to outward migration in both 2011 and 2012, according to the Census Bureau.

A few other notable data points from the census' latest count:

- Why is the U.S. slowing down in population growth? In part, it's because people are delaying having kids, which is itself in part due to the recession, as many Americans are waiting until they are financially stable enough to have children. But it's also a delayed function of the Baby Boom, Frey explains: an aging population is unable to have as many children and will naturally have more deaths.
- North Dakota continues to benefit from its oil and gas boom, with a population gain of more than 3.1 percent in 2013, around 50 percent faster growth than the next-fastest-growing place, the District of Columbia.
- The Census Bureau also gave a rundown of the fastest-growing countries. India was the biggest population-gainer, adding 15.6 million people last year – the equivalent of adding roughly one-and-a-quarter Pennsylvanias. Meanwhile, the U.S. added nearly 2.3 million people, or just a little bit more than a New Mexico.