

**PUERTO RICO 2012 ECONOMIC PRESPECTIVE
DEMEGRAPHIC IMPACT ON BUSINESS**



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PYMES
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SymphonyIRI Group
Insight.
Innovation.
Impact.

AGENDA

- ▶ INTRODUCTION
- ▶ PRESENT CHALLENGES
- ▶ PUERTO RICO DEMOGRAPHIC
- ▶ A CHANGING PARADIM
MYTHS vs. FACTS



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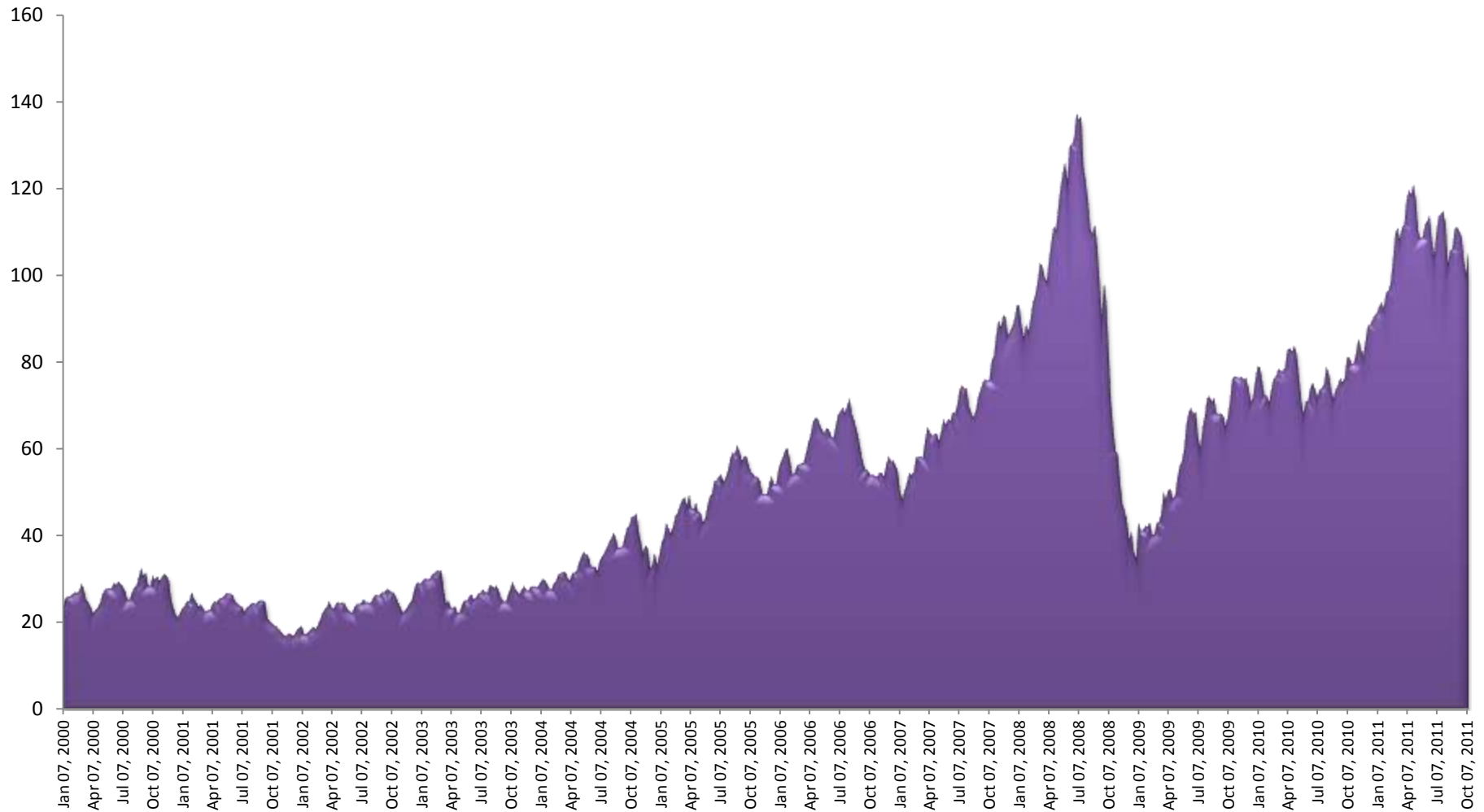


Breast Cancer Month
Please get Involved and be
AWARE.....check YOUR
BREAST !!!!

Global Economy

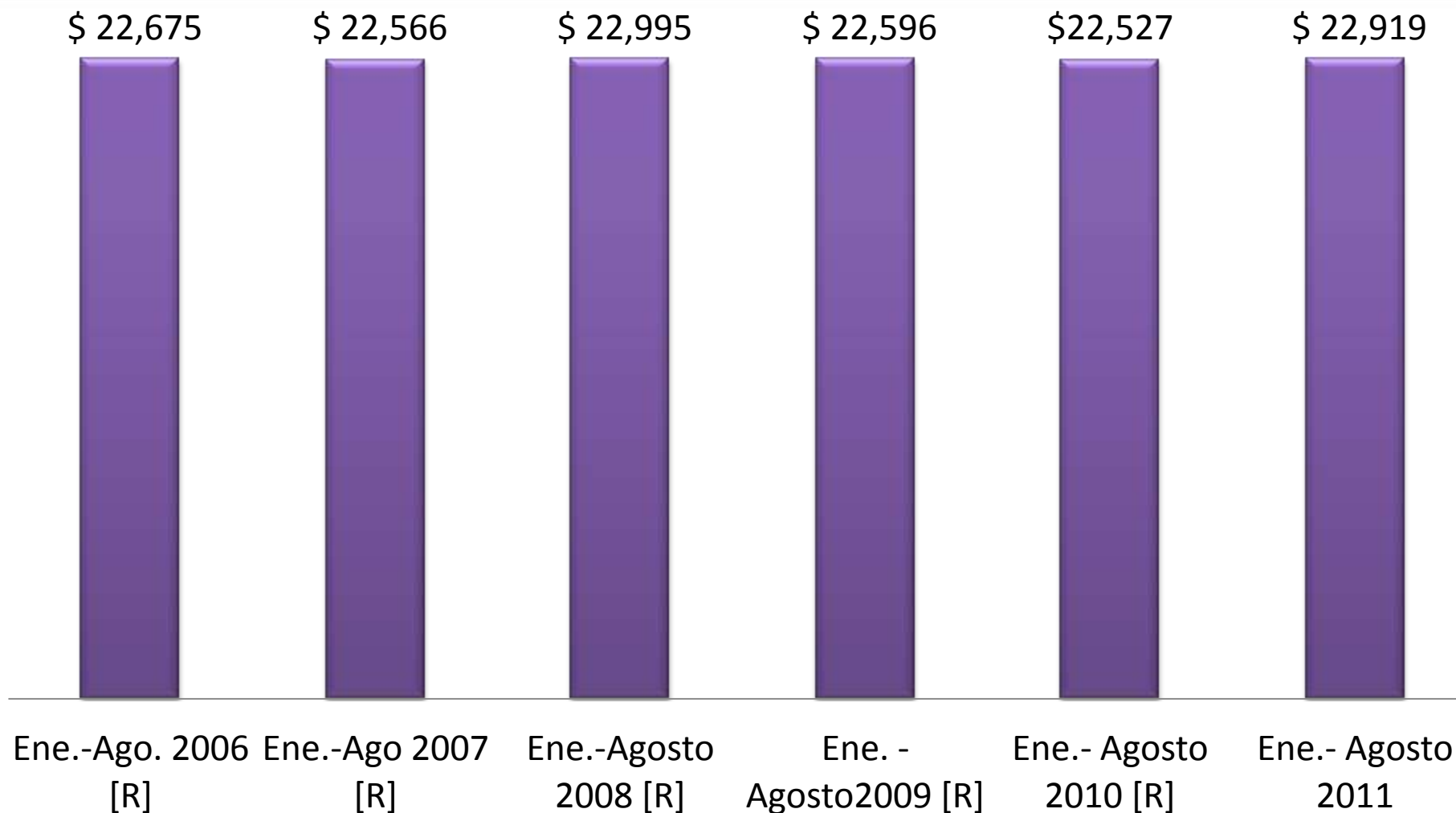
Increasing Tolls !!!

Weekly All Countries Spot Price FOB Weighted by Estimated Export Volume (Dollars per Barrel)



Source : US Information Energy Administration

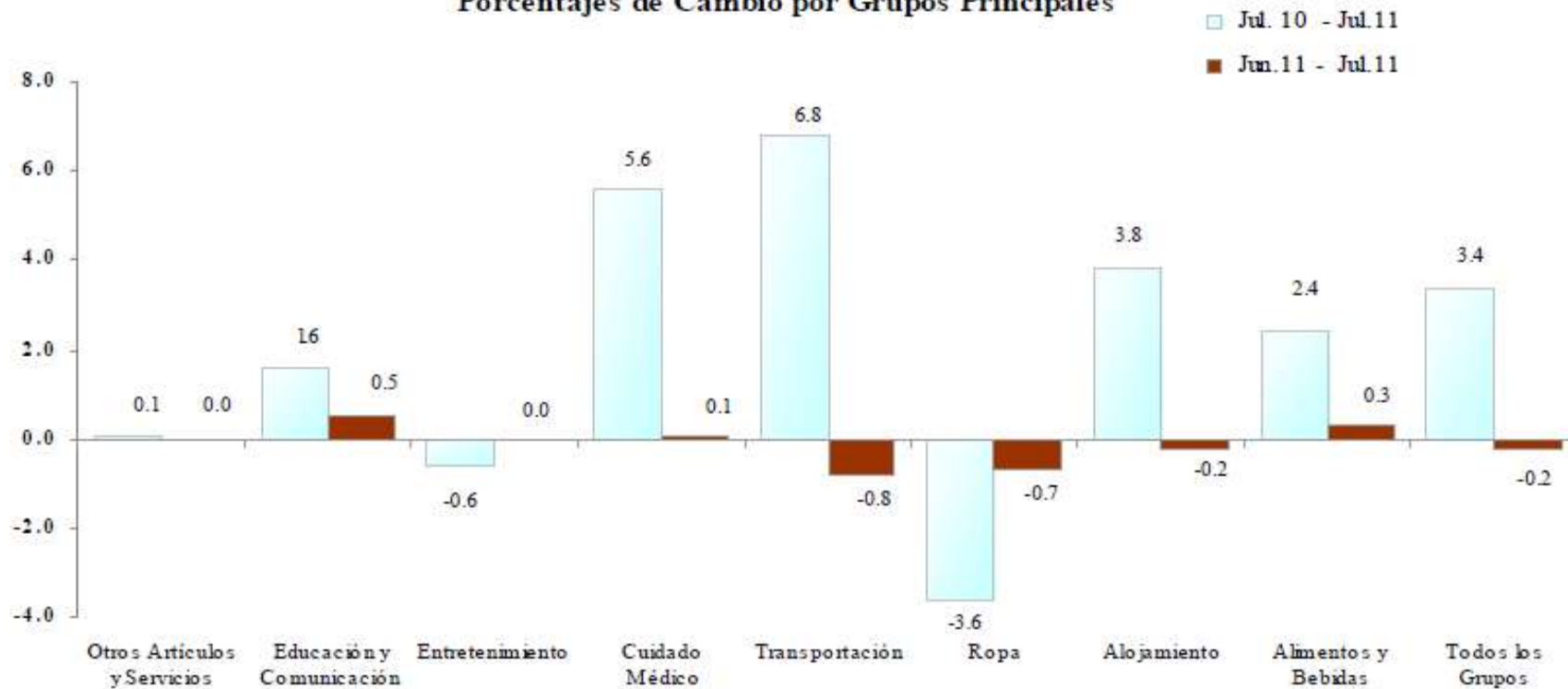
Retail Sales



Source: Comercio y Exportaciones : Infoventas Aug 2011

Price Change by Major Industry

Porcentajes de Cambio por Grupos Principales



Purchasing Power of the Consumer Dollar

	Índices – Indexes			Porcentaje de cambio hasta julio de 2011 desde:	
	Diciembre 2006=100 December 2006=100			Percent change to July 2011 from:	
	Julio July 2011	Junio June 2011	Julio July 2010	Junio June 2011	Julio July 2010
Todos los Grupos	113.986	114.173	110.236	-0.2	3.4
Diciembre 2006=\$1.00					
Poder adquisitivo del dólar del consumidor	Julio July 2011	Junio June 2011	Julio July 2010	Cambio Total Total Change	Purchasing power of the consumer dollar
	\$0.88	\$0.88	\$0.91	\$0.00	-\$0.03

Source: Puerto Rico Planning Board

Puerto Rico Consumer Price Index by Category

Average Inflation For All Categories

Category	Jul-11	Jul-10	% Chg. YAG
All items	113.986	110.236	3.4%
Food and Beverages	117.741	114.976	2.4%
Food	117.817	114.888	2.5%
Food at home	116.625	113.772	2.5%
Cereals and cereal products	129.502	125.006	3.6%
Bakery products	127.081	126.171	0.7%
Meats, poultry, fish, and eggs	113.428	109.939	3.2%
Dairy and related products	124.01	120.668	2.8%
Fruits and vegetables	102.68	100.224	2.5%
Nonalcoholic beverages and beverage materials	112.164	110.937	1.1%
Other Foods at home	122.569	118.553	3.4%
Sugar and sweets	123.826	121.706	1.7%
Fats, oils and dressings	133.325	123.74	7.7%
Other foods	114.071	112.939	1.0%
Food away from home	120.497	117.312	2.7%
Alcoholic Beverages	109.246	109.116	0.1%

Source: Puerto Rico Department of Labor and Human Resource Cost of Living Division

Top 5 Sectors by Employment for Puerto Rico (2009 CBP)

NAICS Sector	Industry Description	Employment	Annual Payroll (thousands)
44	Retail Trade	126,053	\$2,161,956
31	Manufacturing	96,509	\$3,183,077
62	Health Care and Social Assistance	79,471	\$1,719,008
72	Accommodation and Food Services	71,957	\$943,224
56	Administrative and Support and Waste Management and Remediation Services	69,515	\$1,140,668

Source: Puerto Rico Department of Labor and Human Resource Cost of Living Division

Sectors with the Largest Employment Decrease Between 2008 and 2009

NAICS Sector	Industry Description	2008 Employment	2009 Employment	Employment Loss
23	Construction	55,402	43,772	-11,630
31	Manufacturing	106,132	96,509	-9,623
44	Retail	131,689	126,053	-5,636
52	Finance and Insurance	40,710	37,660	-3,050
72	Accommodation and Food Services	74,733	71,957	-2,776

Source: Puerto Rico Department of Labor and Human Resource Cost of Living Division

Additional factors contributing to Economic Erosion

- Increase in cost of water utility
- Increase in cost of energy utility
- Local Government instability
- Federal Government Budget constraints
- Retail consolidation — El Amal, Grande Supermarkets , Tiendas Pitusa



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**Marketplace dynamics
amplify the challenge in**

World TV, Satellite , Cable , HDTV , Mobil TV

La Cámara que Vende



Print Advertising.....

- 
- TV GUIA
 - TV AQUÍ
 - IMAGEN
 - COSMOPOLITAN
 - EL Día
 - EL Vocero

The WORLD WIDE WEB



Much more options to shop , interact,

At Home



YAHOO!
Paid
Media

**Relationship
p Marketing
(e.g., email,
SMS)**



**Product
Placement**

**Search
before you
buy**



On the Go



Mobile



**Interactive
Vending**



**Alternative
Out of
Home**

In-Store



**Video
Displays**



**Interactive
Media**



**Sampling
Programs**



Displays



**In-store
Coupons**



**Signage on
Shelf**

That is what every
Knows

.....But there is more

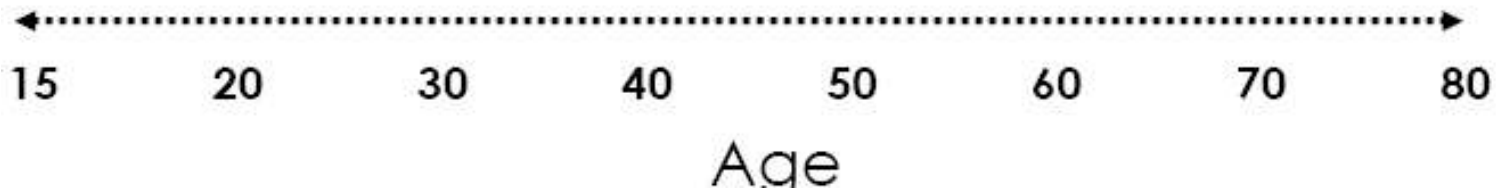
Marketing 101 (!#*&)

- Who is your consumer ?
- Where are they purchasing ?
- How often are they Shopping ?
- What are they buying?
- How much disposal Income?
- What is my competitors price?



IPOD , Cellphone , the Web Everything is becoming electronic

MARKETING'S FAVOURITE GENERATION



THE IPOD'S

THE IPOD GENERATION



I NSECURE

P RESSURED

O VER-TAXED

D EBT-RIDDEN

The IPOD Generation doesn't have money



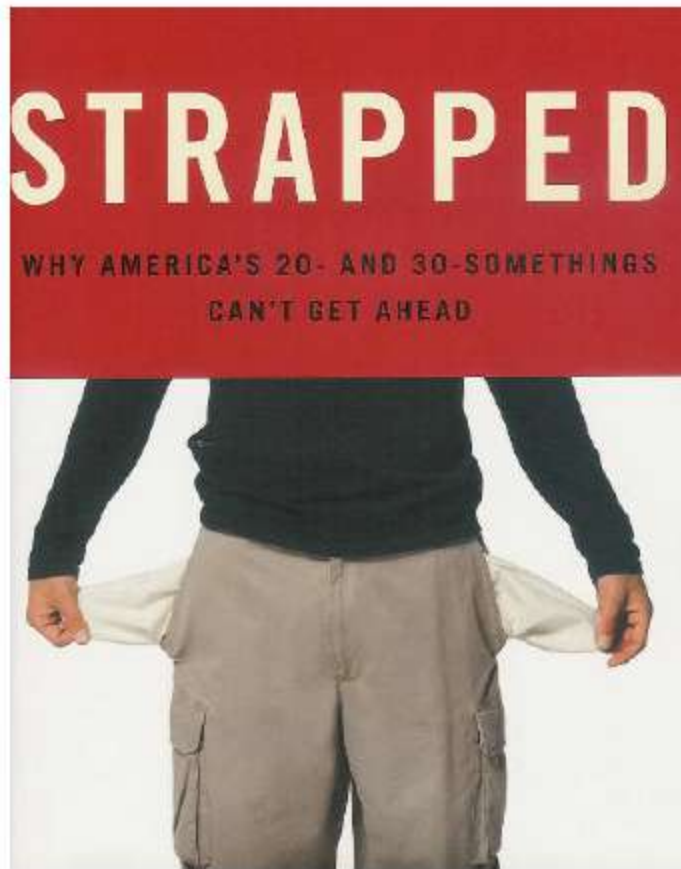
IPOD BOY

- Slow Income Growth
- Contracted Employment
- Debt form Funding Education

IPOD GIRL

- Cost of Credit Card Debt
- High Cost of Housing or Rent
- Health Care with Educational cost

STRAPPE THE BOOK.....good reference



2056 **What future for Maggie's Children?**

POLICY EXCHANGE

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INTRODUCTION

PRESENT CHALLENGES

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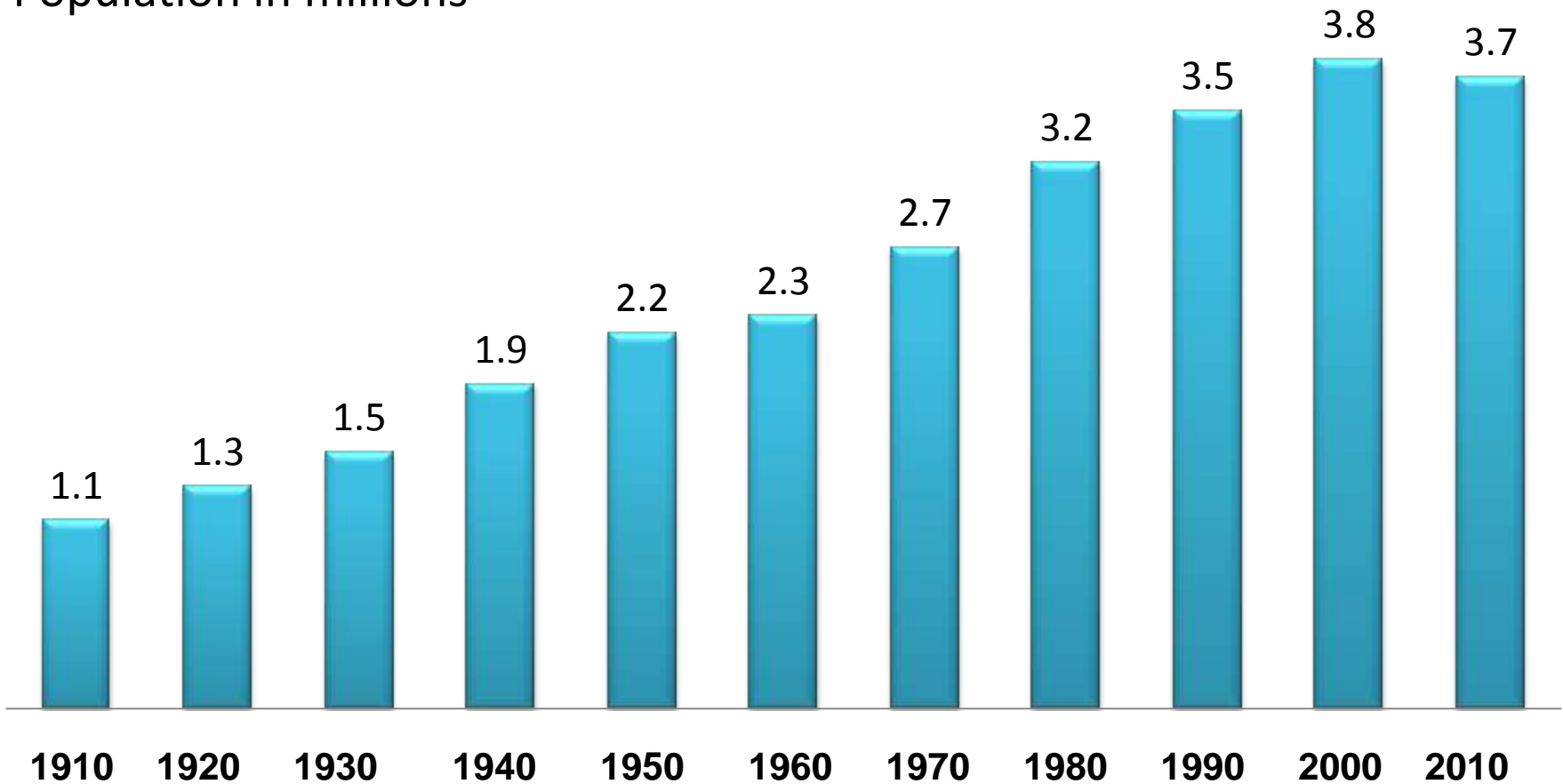
Top 10 Countries Population Count



Source: U.S. Census Bureau International Census Database

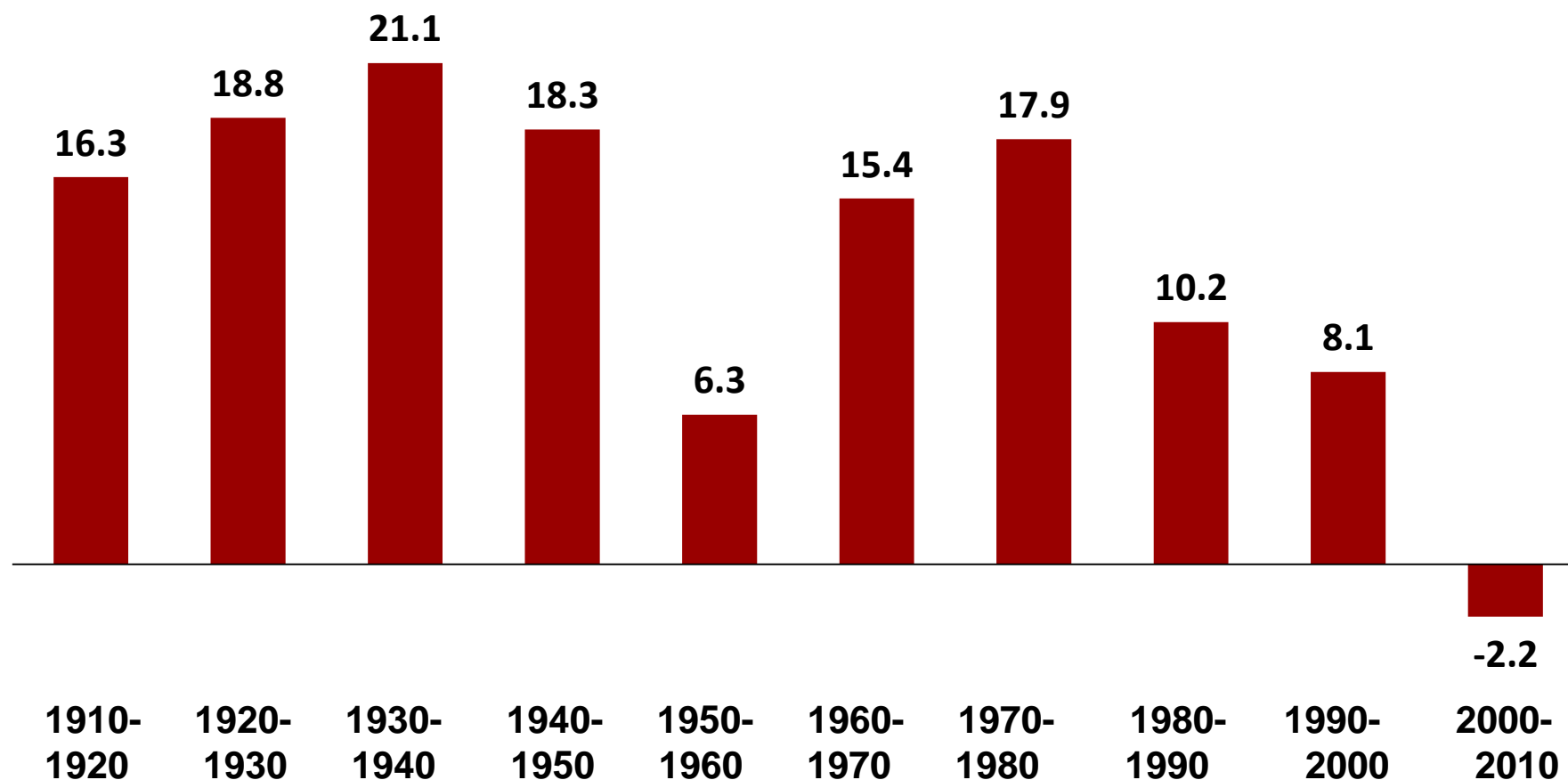
Total Population in Puerto Rico: 1910 to 2010

Population in millions



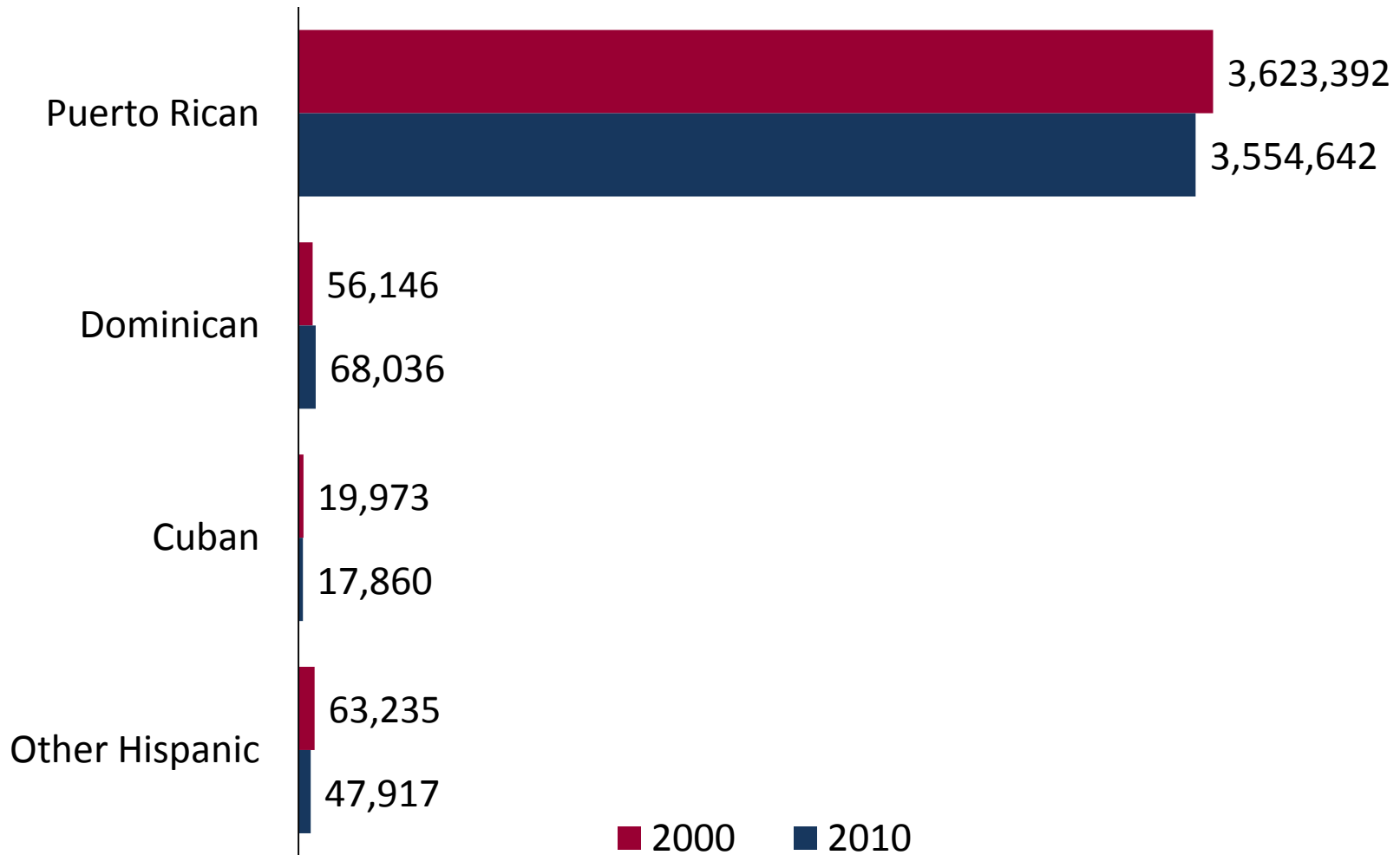
Source: U.S. Census Bureau, 1910 to 2010 Decennial Censuses

Total Population Growth Rate in Puerto Rico: 1910-1920 to 2000-2010



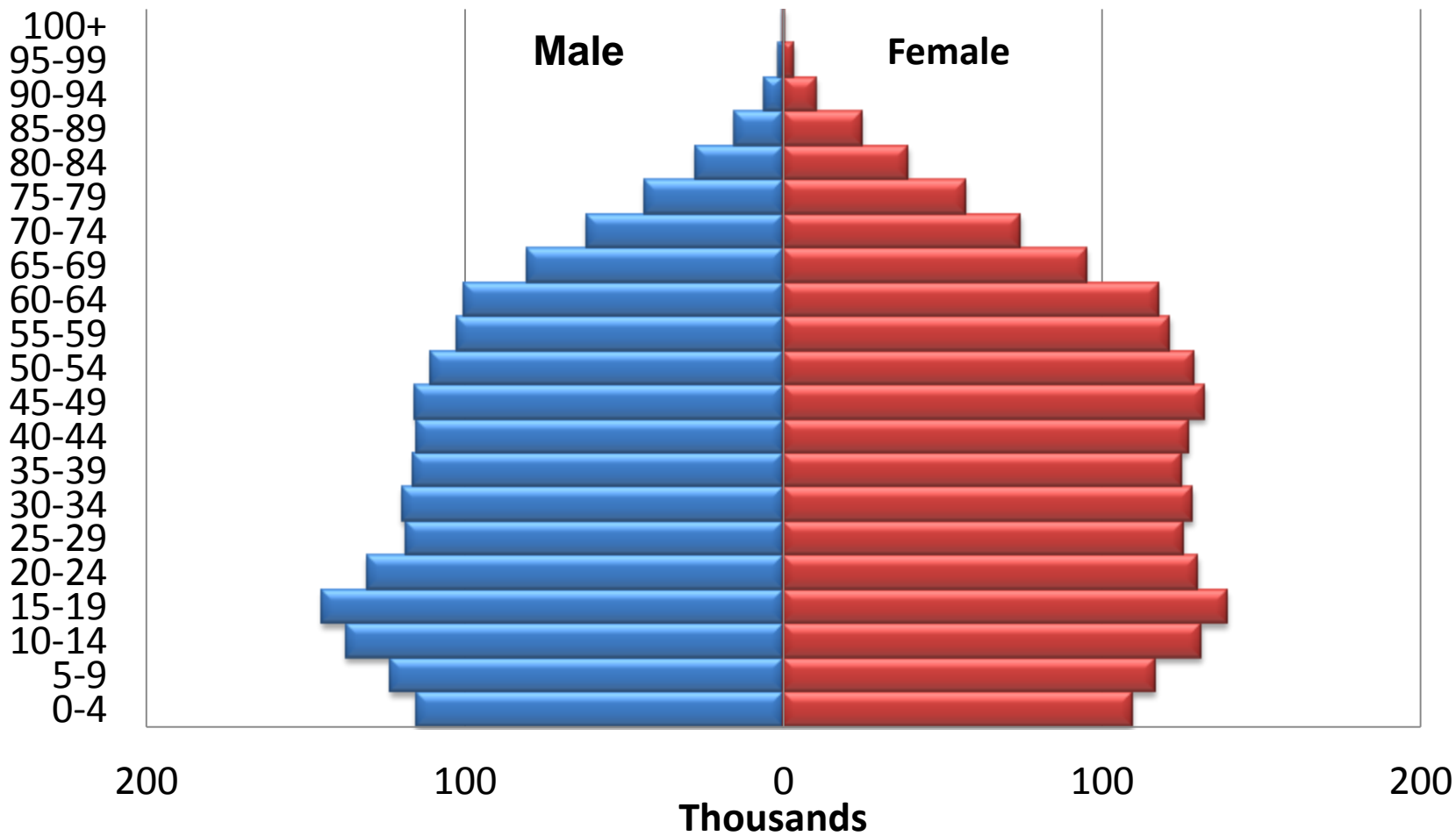
Source: U.S. Census Bureau, 1910 to 2010 Decennial Censuses

Hispanic Origin Groups in Puerto Rico: 2000 and 2010



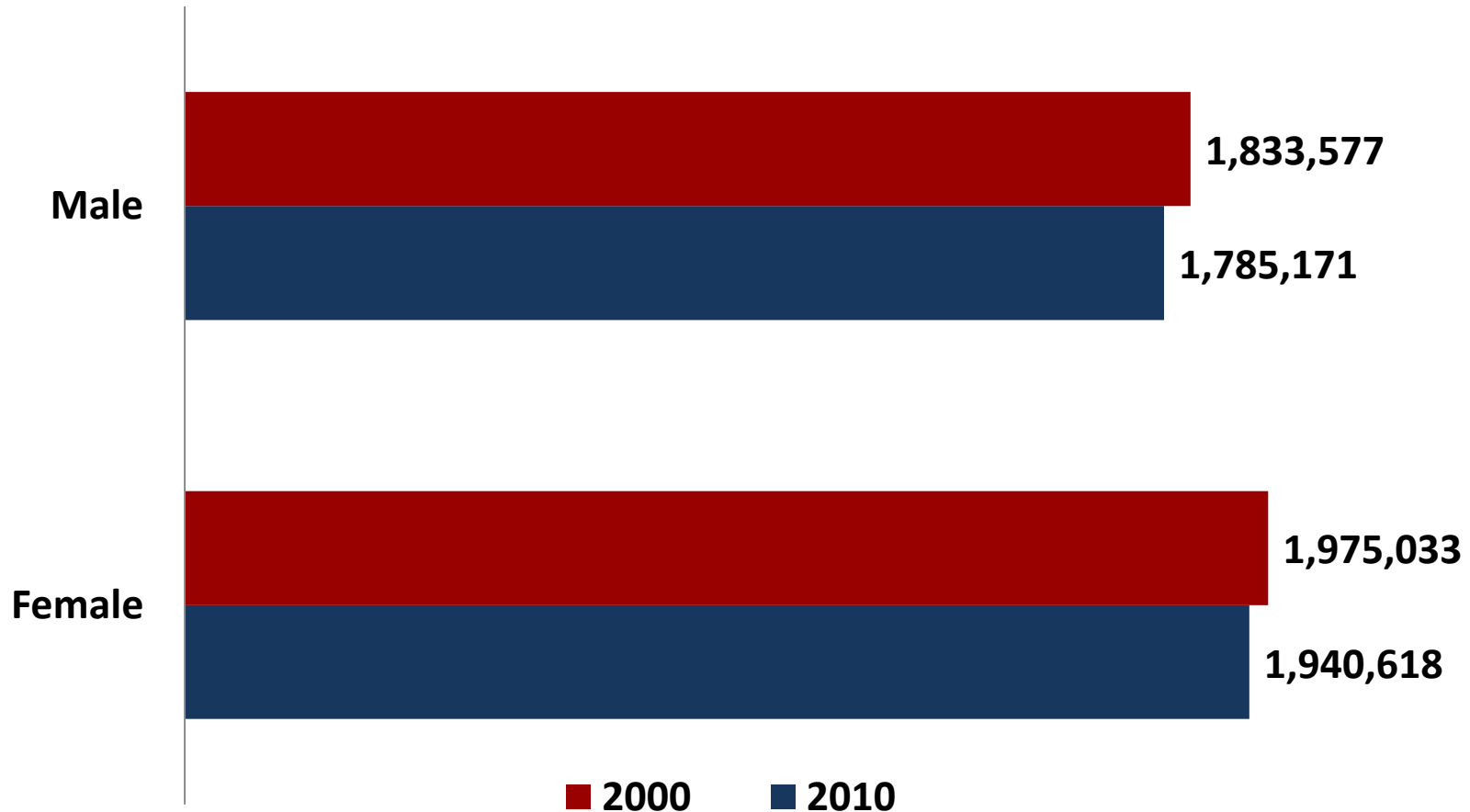
Source: 2010 Census; Census 2000

Population by Age and Sex in Puerto Rico: 2010

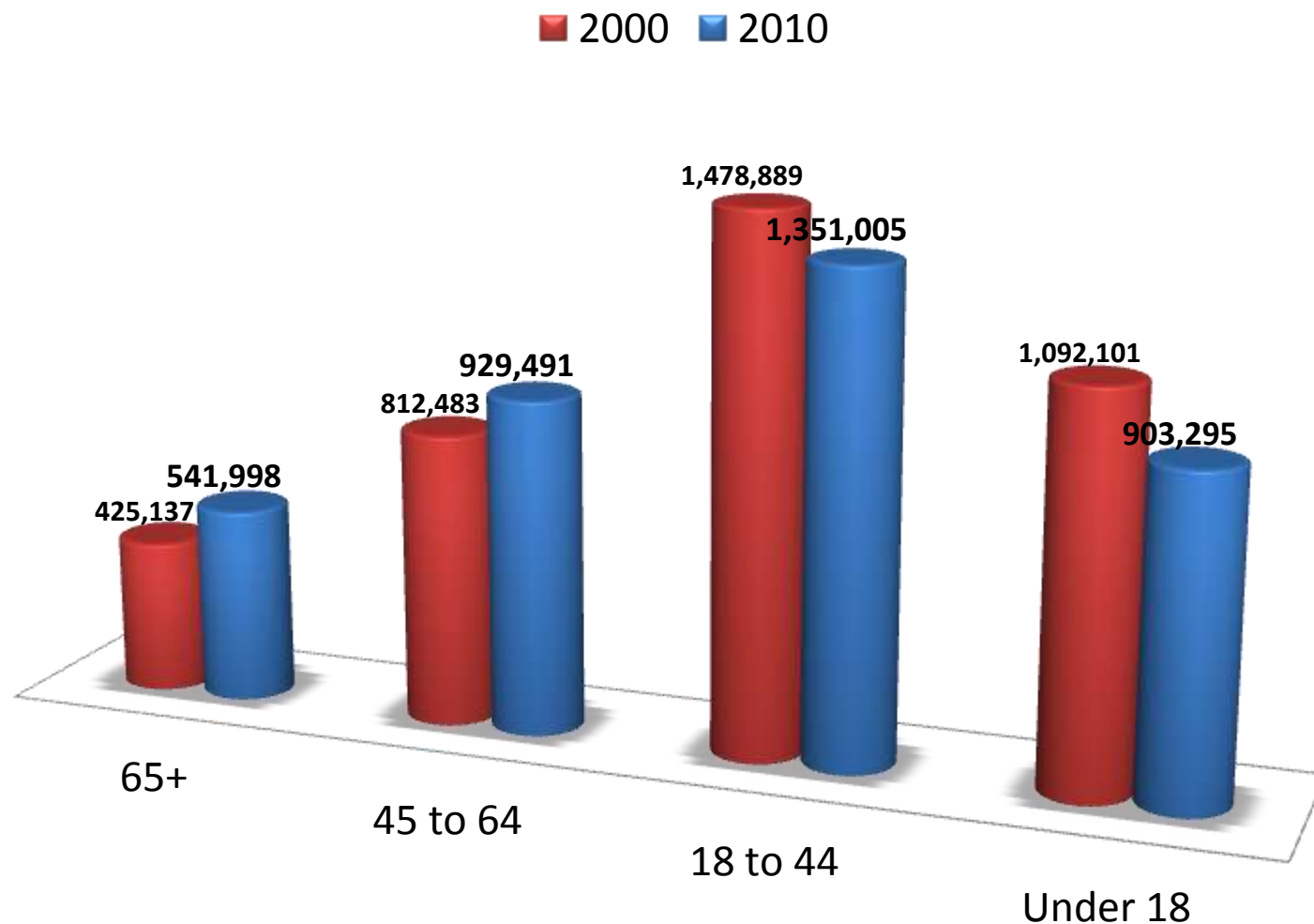


Source: 2010 Census

Population by Sex in Puerto Rico: 2000 and 2010

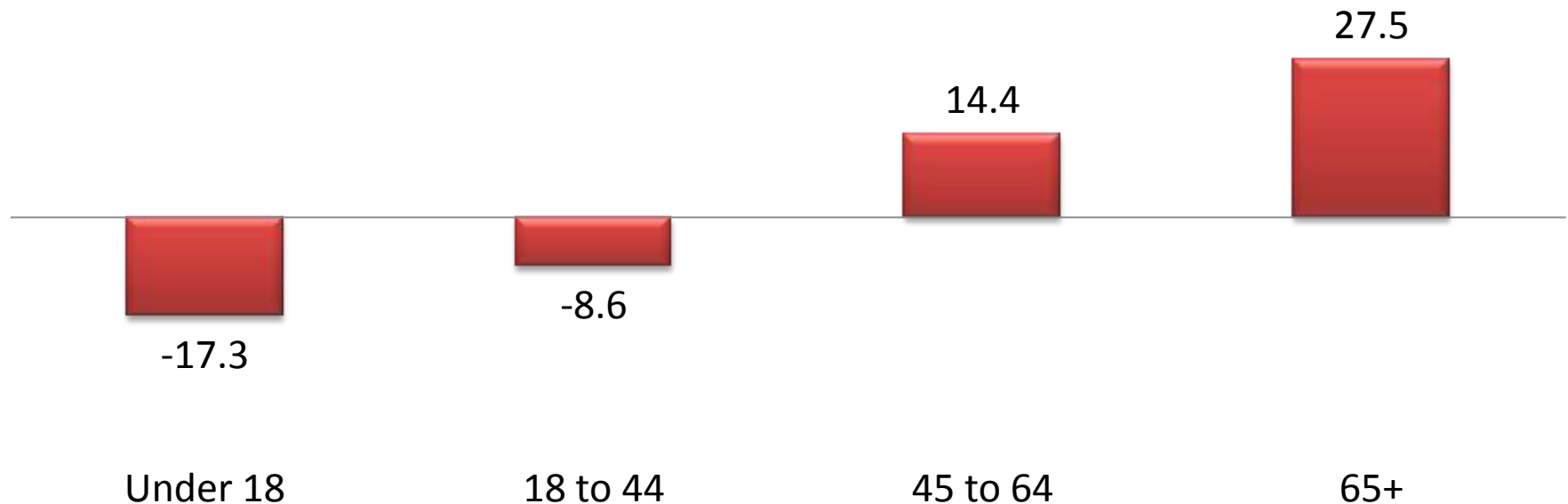


Population by Selected Age Groups in Puerto Rico: 2000 and 2010



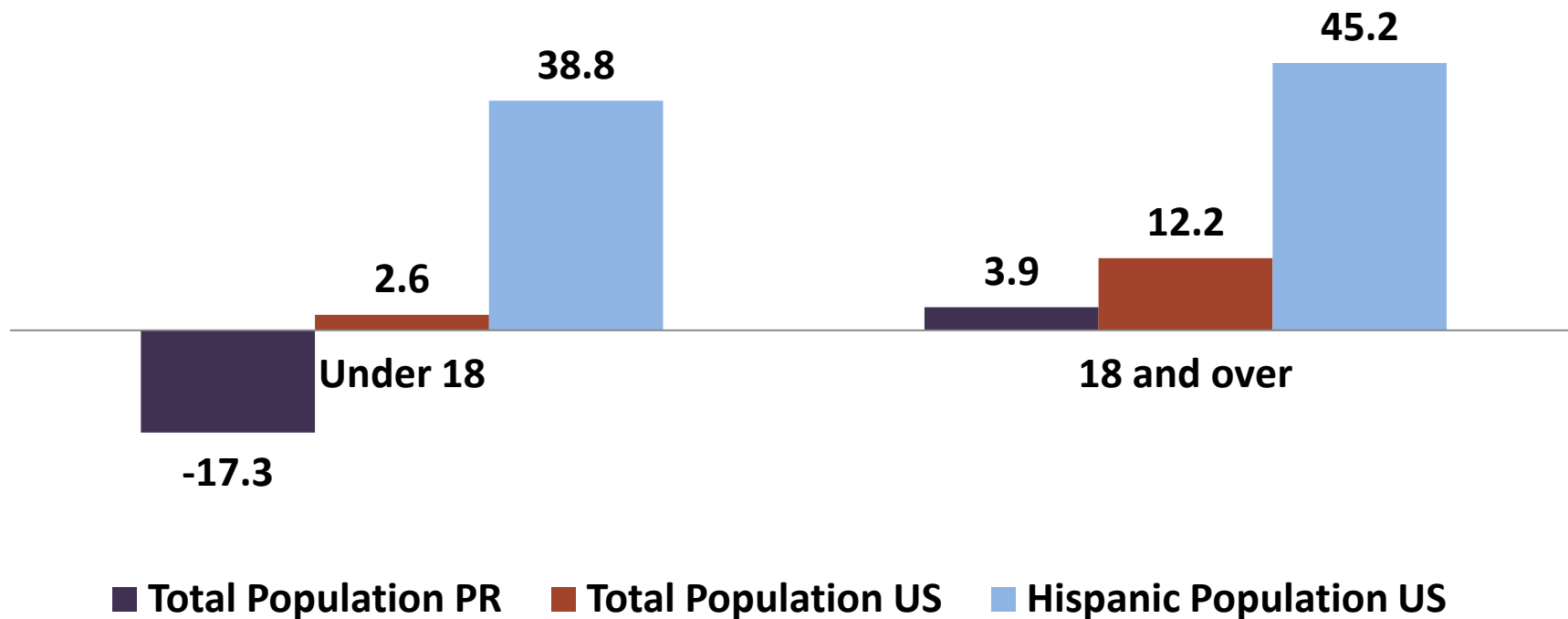
Source: 2010 Census; Census 2000

Percent Change by Selected Age Groups in Puerto Rico: 2000 to 2010



Source: 2010 Census; Census 2000

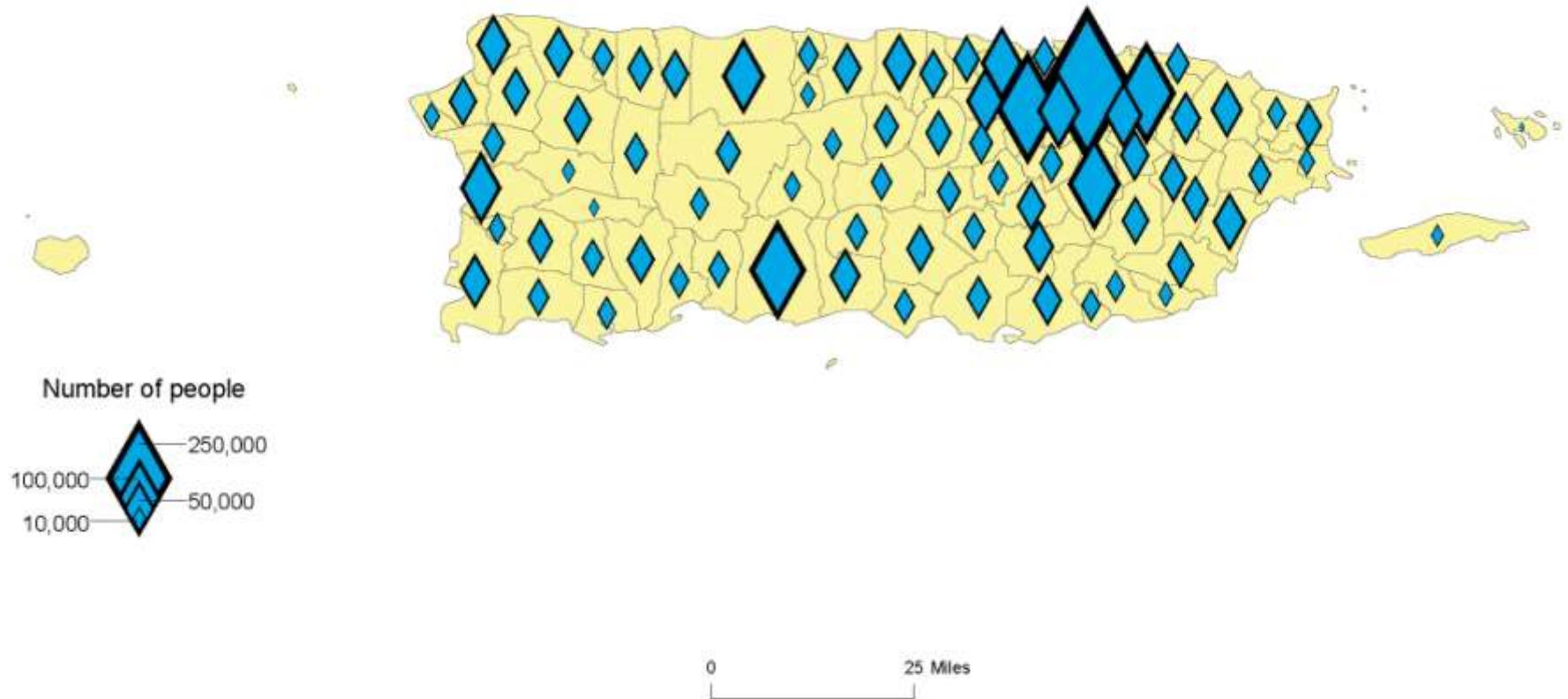
Percent Change by Age in Puerto Rico and by Age



GEOGRAPHIC DISTRIBUTION AND CHANGE 2000 TO 2010

Population Distribution by Municipio: 2010

The area of each diamond symbol is proportioned to the number of people in a municipio. The legend presents example symbol sizes from the many symbols shown on the map.



Top Five Municipios by Total Population: 2010

Rank	Municipio	Population Size
1	San Juan	395,326
2	Bayamón	208,116
3	Carolina	176,762
4	Ponce	166,327
5	Caguas	142,893

Top Five Municipios by Percent Increase: 2000 to 2010

(For municipios with 10,000 or more population in 2010)

Rank	Municipio	Percent Increase
1	Gurabo	23.5
2	Toa Alta	15.9
3	Naguabo	12.5
4	Dorado	12.2
5	Las Piedras	12.2

Top Five Municipios by Population Gain: 2000 to 2010

Rank	Municipio	Numeric Change
1	Toa Alta	10,137
2	Gurabo	8,626
3	Canóvanas	4,313
4	Las Piedras	4,190
5	Dorado	4,148

Top Five Municipios by Population Loss: 2000 to 2010

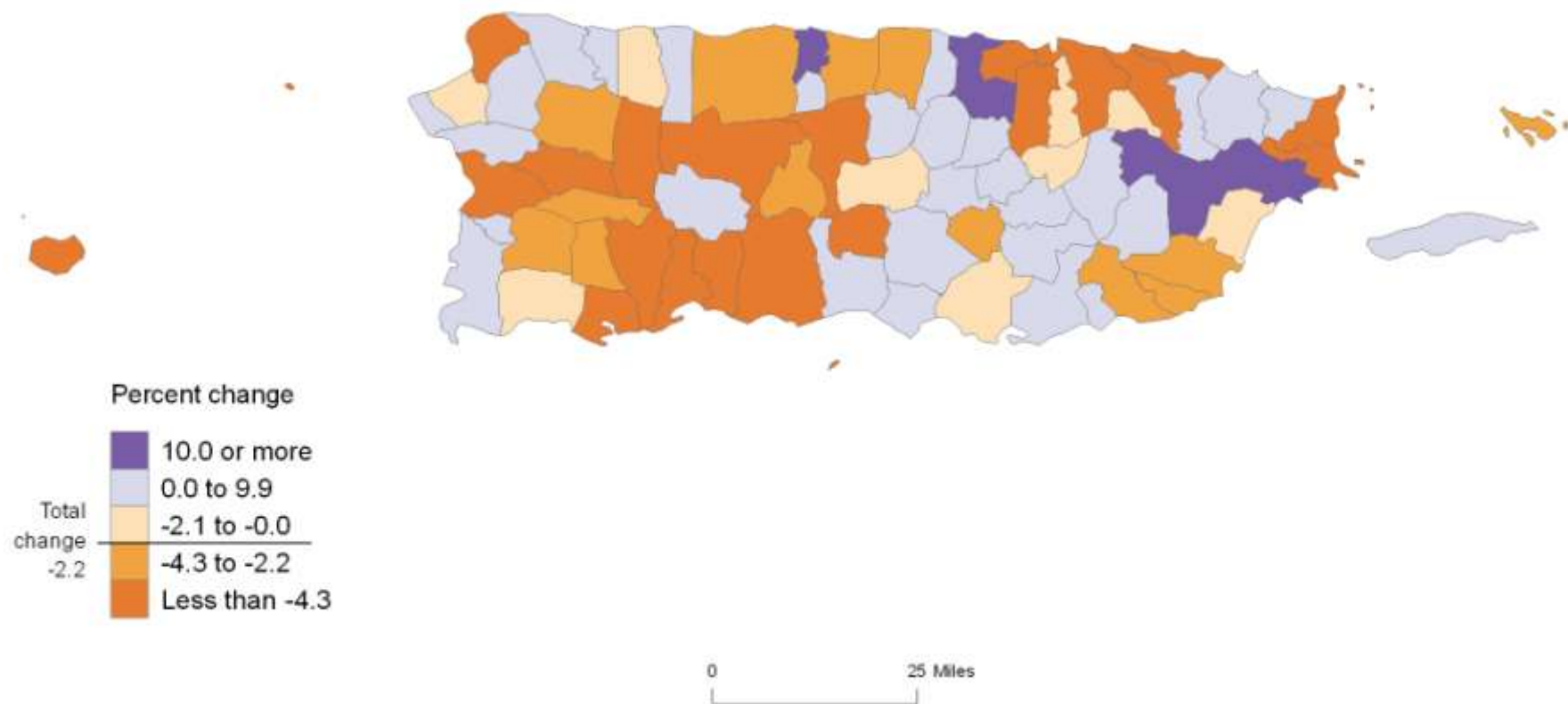
Rank	Municipio	Numeric Change
1	San Juan	-39,048
2	Ponce	-20,148
3	Bayamón	-15,928
4	Mayagüez	-9,354
5	Carolina	-9,314

Top Five Municipios by Percent Decline: 2000 to 2010

(For municipios with 10,000 or more population in 2010)

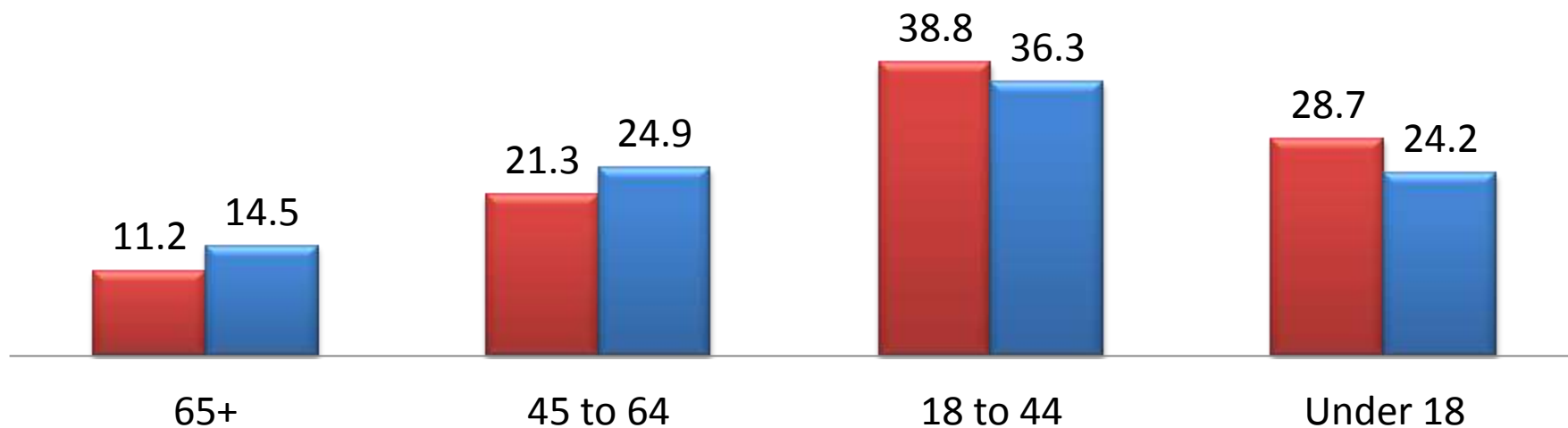
Rank	Municipio	Percent Decline
1	Ceiba	-24.3
2	Guánica	-11.2
3	Ponce	-10.8
4	Lares	-10.6
5	Mayagüez	-9.5

Percent Change in Total Population by Municipio: 2000 to 2010



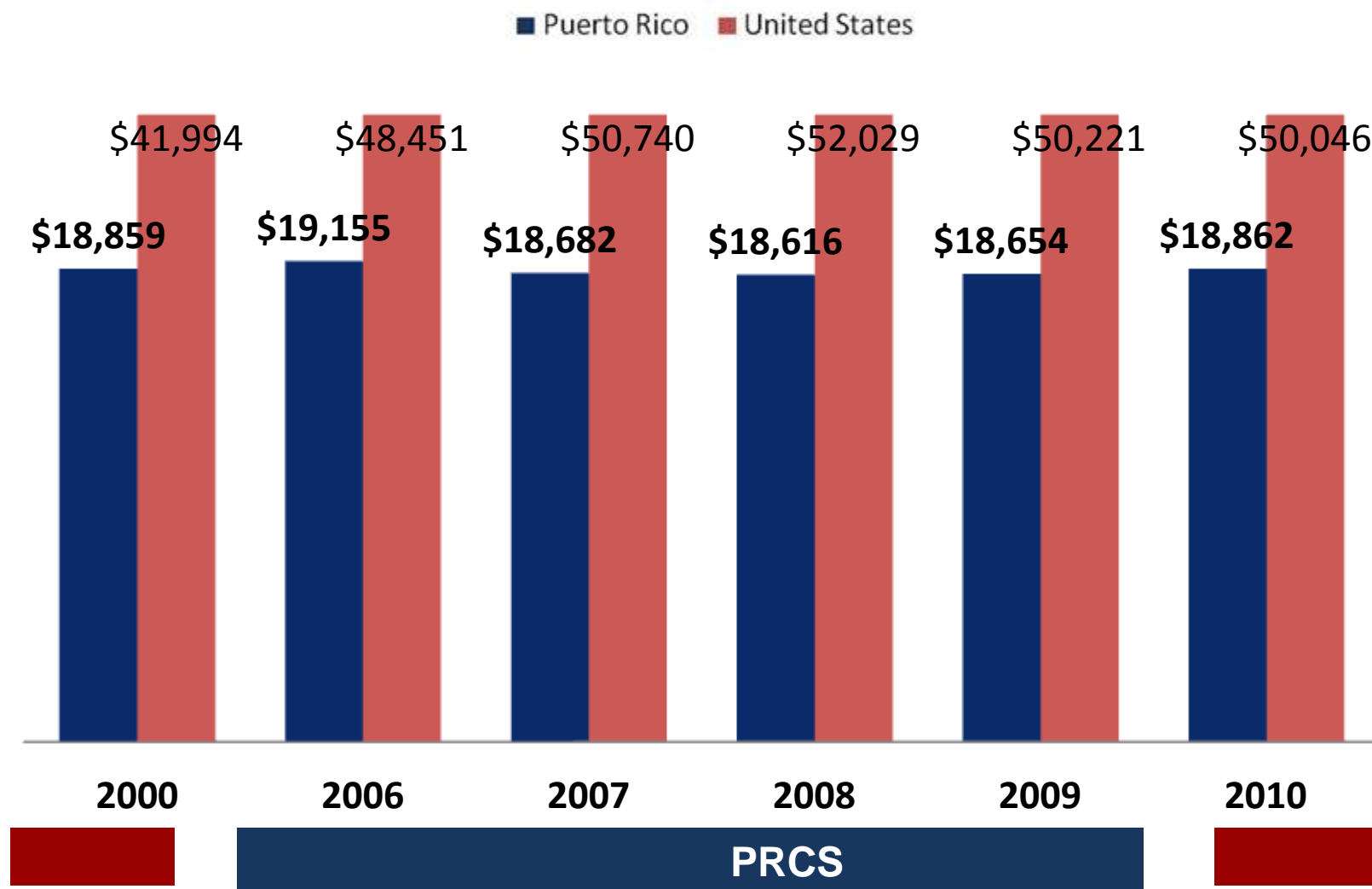
Percent Distribution by Selected Age Groups in Puerto Rico: 2000 and 2010

■ 2000 ■ 2010



Median Household Income: 2000 and 2006 to 2010

(In 2010 inflation-adjusted dollars)



Classified - Internal use

45

SymphonyIRI Group

Ignore the changes in the relative spending power of
Generations at your own risk!!!!!!!



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INTRODUCTION TO THE GOLDEN YEARS

The Caribbean

Indicators on population

Last update: December 2009

Country or area	Year	Population (in thousands)		Sex ratio of population	Annual population growth 2005-2010 (Notes)	
		Total	Men Women			
			Men Women	men/100 women	%	
Antigua and Barbuda	2005 *	82.8	47% 53%	38.9 43.9	89	1.2 c
Aruba	2009	106.5	48% 52%	51.1 55.4	92	1.2
Bahamas	2009	341.7	49% 51%	167.2 174.5	96	1.2
Barbados	2009	255.9	49% 51%	124.2 131.7	94	0.3
Bermuda	2007 *	64.0	48% 52%	30.6 33.4	91	0.3 d
British Virgin Islands	2001 *	20.6	51% 49%	10.6 10.0	106	1.1 a
Cayman Islands	2007 *	54.1	50% 48%	27.3 26.0	105	1.5 p
Cuba	2009	11,204.2	50% 50%	5,617.3 5,586.9	101	0.0
Dominica	2006 *	71.2	51% 49%	36.2 34.9	104	-0.3 c
Dominican Republic	2009	10,090.2	50% 50%	5,068.9 5,021.3	101	1.4
Grenada	2009	103.9	50% 50%	52.0 52.0	100	0.4
Guadeloupe	2009	465.4	48% 52%	223.2 242.2	92	0.5
Haiti	2009	10,032.6	49% 51%	4,955.6 5,077.0	98	1.6
Jamaica	2009	2,718.8	49% 51%	1,330.6 1,388.2	96	0.5
Martinique	2009	404.7	47% 53%	189.8 215.0	88	0.4
Puerto Rico	2009	3,981.6	48% 52%	1,909.3 2,072.3	92	0.4
Trinidad and Tobago	2009	1,338.6	49% 51%	650.4 688.2	95	0.4
United States Virgin Islands	2009	109.5	47% 53%	51.9 57.6	90	-0.1

Aging Truth

- Taste and Smell
- Touch
- Eyesight
- Dexterity
- Cognitive Skills
- Hearing
- Physical Capacity

Source: The 50 Plus Markets

50+ COHORT

Decline in attention contributes to problems ignoring “noise” or irrelevant stimuli

- The rate (but not the ability) at which new information is learned declines with age
- Unfamiliar settings elicit more cautious behavior

Memory,
Information
Processing

The changes in economic resources and status over time require planning and management of money and assets

- Those who continue to work past retirement age face other challenges, like intergenerational collaboration
- Retirement creates shifts in resource pools like time and income

Mobility, Vision,
Hearing

Biological

Reduction in pupil size limits the amount of light entering the eye

- Yellowing of the lens contributes to problems in color vision
- Reduction in hearing interferes with communication
- Loss of elasticity in joints, muscles and skin creates changes in range of motion and in overall body shape

Psychological

Social

Role
shifts,
Lifestyle
changes

Grandparenting, caregiving, empty nests, and retirement reflect some of the role shifts that occur as people age.

- These role shifts create ripples of change in lifestyles, like locale (urban vs. rural or suburban), travel patterns, daily routines, and attendance at social gatherings

Economic

Income flow shifts,
Resource reallocation, addition,
subtraction

Change

is the law of life. And those who
look only to the past or present
are certain to miss the future.

John F. Kennedy

Jitterbug



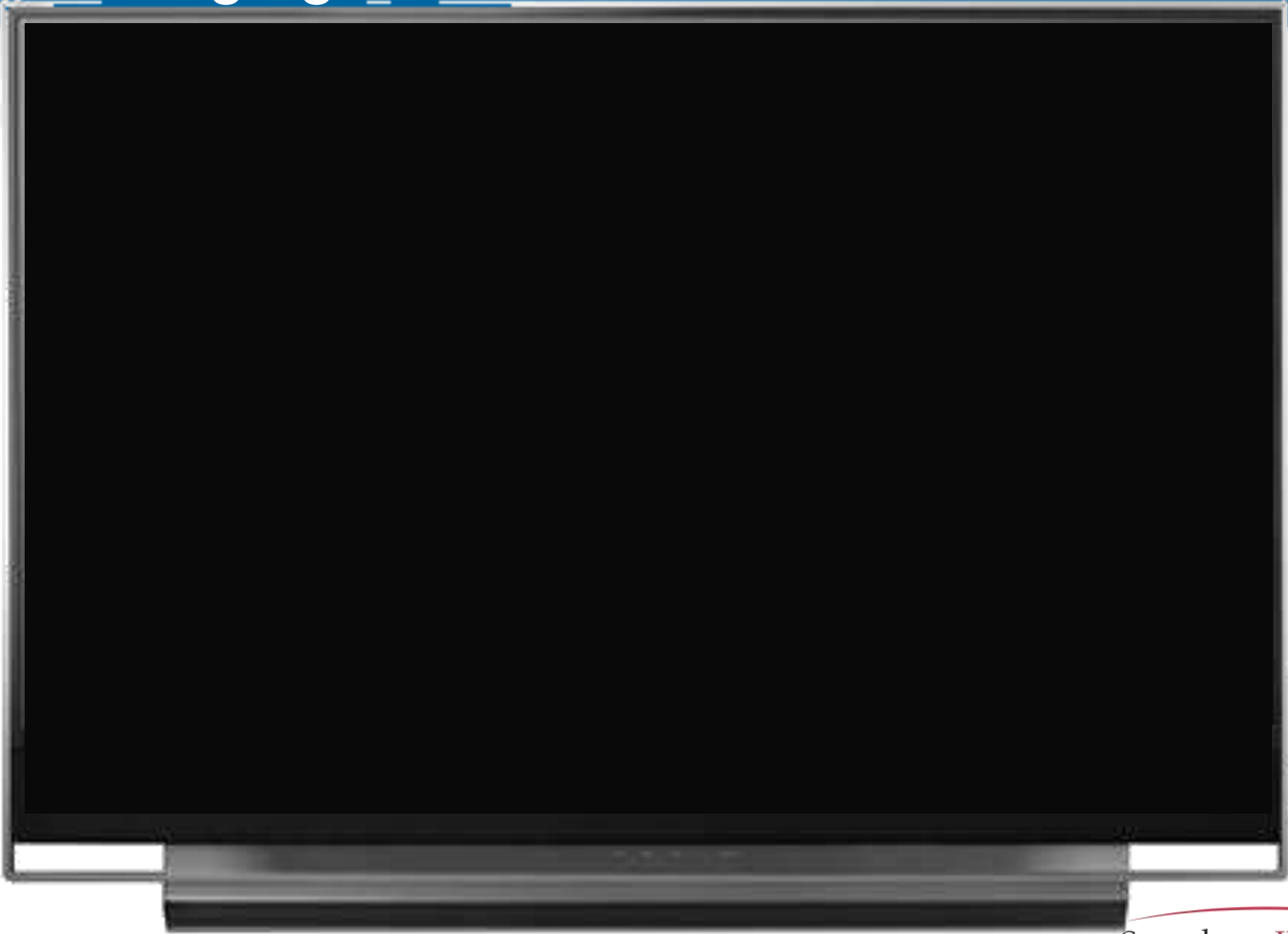
Marketing Myths

- Appealing to the old alienate the young
- Older people are unwilling to try new brands
- It is important to get them when they are young
- We get them anyway
- Older people are stuck in their ways

Soft Drink Beverage



Anti-Aging

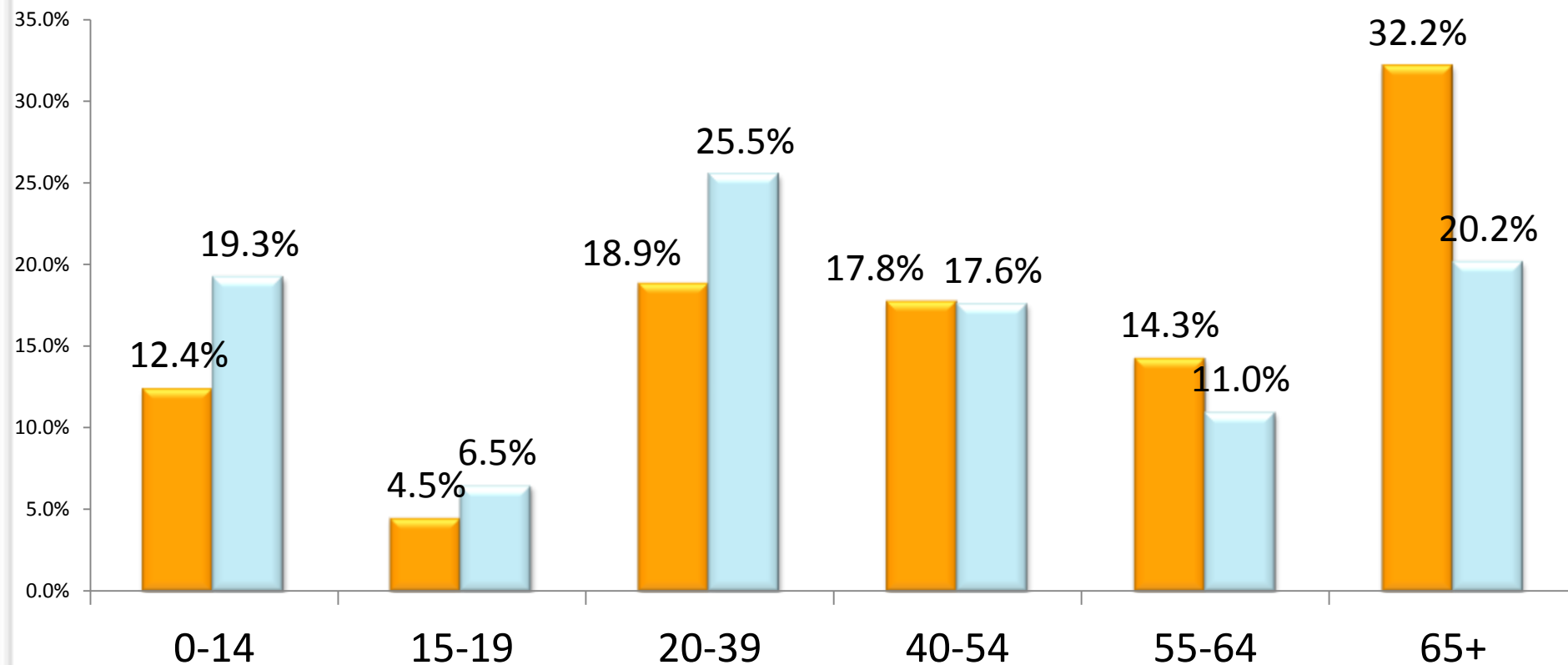


Soft Drink



Population By Country -2050

■ Puerto Rico ■ United States



Source: U.S. Census Bureau, Population Division

New Healthier Older Women



- A health conscience women
- Who's Going to what to stay healthy and looking younger
- Working women high position with high income.
- Small family one child maybe

Any Questions

Thanks for listening



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