

Benefits of Statehood

51

Quality of Life

The level of poverty in Puerto Rico is approximately 45% of the population, or 3 times more than the US average and twice that of Mississippi, the poorest state of the Union. Unemployment in P. R. (currently 14%) is among the highest in the US where the national average is currently 8%. Since 2000 it is estimated, based on Census numbers, that more than 500,000 people have left PR for the mainland. During the same period, the Puerto Rican community in the States has grown by 1.2 million, according to the Census. Puerto Ricans are moving to different states of the union, having families and staying there to enjoy a quality of life that they cannot get under the Territorial Commonwealth. Hundreds of thousands of Puerto Ricans have left the island in search of better opportunities, safety and full rights as American citizens.

Under statehood, P.R. would have new opportunities to obtain federal resources aimed at improving the situation of the island in the economic, social and security areas in which the current territorial status is lagging behind compared to the rest of the Nation. Some examples of unequal treatment that Puerto Rico currently receive as a territory are the following federal laws and programs that would be resolved if we become a state:

Federal Taxes: The current exclusion of P. R. from the Internal Revenue Code means that economic development tools designed to improve the economy and local industry and to lift people out of poverty do not apply.

Earned Income Tax Credit: The residents of the 50 states qualify for a cash refund, even if they earn so little they do not have to pay taxes. Approximately 50% of the population of the U.S. falls under this category and can get a check up to \$ 5,891 every year.

Child Tax Credit: In Puerto Rico currently only families with three or more children qualify for this credit against taxes paid that can be worth up to \$1,000 per child.

Enterprise Zones: P. R. does not qualify for the Enterprise Zone program where areas of economic development are identified. In these Zones, investors and entrepreneurs receive incentives to establish and operate businesses and create jobs.

New Markets Tax Credits: P. R. currently does not qualify for New Markets Credit (NMTC) to encourage investment in poor areas which traditionally lack access to capital. With the level of poverty in P. R., we have only been able to access 0.1% of the resources of this program.

Supplemental Security Income (SSI): P. R. currently does not receive this program, which provides assistance to low-income elderly persons and persons with disabilities. Benefits are up to \$ 698 per person per month.

Medicaid: P. R. currently does not participate on equal terms with the states in this federal program that ensures access to health services for the indigent. The federal government pays about 20% of the \$ 2 billion a year this program costs Puerto Ricans. If we were a state, it would pay 80%, or an immediate impact of more than \$ 700 million per year. Also, in the states Medicaid pays for health care costs of individuals and families who are at 130% of the federal poverty level while in P.R. it applies only to people who reach 80% of the federal poverty level. Essentially, hundreds of thousands of additional Puerto Ricans would qualify for this program. In addition there are services that are provided in states that are not offered in P.R.

Medicare: P. R. currently does not participate on equal terms with the states in this program that ensures health services to people 65 and older and younger people with disabilities.

Nutrition Assistance Program: P. R. currently does not participate on equal terms with the states in the program that provides assistance to purchase food for low income individuals and families, formerly known as Food Stamps. The Department of Agriculture has estimated that if PR had been included in the program as other states are, an additional \$ 439.2 million would have been allocated and 220,000 residents of the Island would have qualified.