

* contribución de los cubanos al desarrollo
económico de Puerto Rico en la
década de los 60.

STUDY OF THE ECONOMIC CONTRIBUTION
TO PUERTO RICO MADE BY
ENTERPRISES ESTABLISHED BY CUBAN
BUSINESSMEN SINCE 1960

Early in 1966, Centro Cubano de Puerto Rico commissioned Publicidad Badillo, San Juan, Puerto Rico, to study and determine the economic contributions to Puerto Rico made by businesses established on the Island by Cuban businessmen since 1960. The study was completed in the Spring of 1967. A summary of findings follows:

1. Business Investigated--314 firms were covered by the study. This figure represents 80% of all businesses established in Puerto Rico by Cuban nationals since 1960.
2. Jobs Created--The investigated firms have created 13,793 jobs. 81% are performed by Puerto Ricans, 14% by Cubans and 5% by people of other nationalities. In other words, 11,166 of the employees are Puerto Ricans, 1948 are Cubans and 679 are of different nationalities.
3. Total Payroll-- The 314 firms have a combined annual payroll of \$48.7 million.
4. Local Purchases--The firms studied purchased merchandise locally in an estimated amount of \$72 million. (Not including imports.)

5. Gross Sales--These firms reported an estimated Gross Annual Sales of \$216.1 million.
6. Exports--These businesses exported an estimated \$2.3 million worth of goods per annum.
7. Capital Invested--The businesses investigated reported an estimated capital of \$49.4 million. This figure represents initial capital and profits re-invested.
8. Taxes--Income Tax contribution for the 314 firms has been estimated at \$3.7 million.

Comments on the above:

1. Firms Investigated--There are approximately 400 firms in Puerto Rico owned by Cuban nationals; 80% of these firms were investigated. This study does not contain data concerning the 20% of Cuban firms not interviewed; nevertheless, the results are so important and revealing, that the absence of this 20% segment in no way detracts from the figures.
2. Jobs Created--Of the 13,793 jobs created by the firms studied, 11,166 are performed by Puerto Ricans; 1,948 by Cubans; and 679 by people of various other nationalities. According to the records of the U. S. Immigration Department, there are 22,260 persons of Cuban origin in Puerto Rico. It is estimated that these 22,260 subsist on the incomes derived from 6,000 jobs. In other words, each Cuban employee in Puerto Rico supports a family of 3.7

persons. These figures are in accordance with the U. S. Public Health and Welfare Department, which reports having re-allocated 12,642 persons to Puerto Rico from January, 1961 through December, 1966, and comments that, "the great majority of these are women and children rejoining relatives." The 6,000 Cuban employees in Puerto Rico are equivalent to slightly less than 1% of the country's total number of employed. This number, according to 1965 estimates, is 701,000. Deducting the 6,000 jobs performed by Cuban nationals from the 13,793 jobs created by Cuban firms, there is a net contribution of 7,793 jobs for the Puerto Rican economy.

3. Payroll--The average monthly salary paid by the firms amounted to \$287.34 per person. (Federal Government minimum is \$217.00.) This seems to indicate that the presence of Cuban national-owned firms on the Island has not lowered the average income level of Puerto Rican employees.
4. Local Purchases--It can be assumed that the \$72.0 million spent for goods purchased in the local market contributes indirectly to the support of over 15,000 employees in other industries and businesses on the Island.
5. Gross Sales--Gross sales and services rendered by the firms investigated (\$216.1 million) are equivalent to 6.9% of the estimated gross sales and services rendered by all private enterprises in Puerto Rico for 1966. This contribution, made by Cuban owned firms established here since 1960, demonstrates

the economic importance of these firms to Puerto Rico's industry and commerce. Major contributions are listed in the following order: construction, automobiles, clothing, manufacturing (various types), jewelry, food stores, and supermarkets, and electrical equipment stores.

6. Exports--The Cuban owned firms reported exports amounting to \$2.3 million yearly. The major contributions of these firms to this important phase of Puerto Rico's economy were made in the areas of clothing, jewelry, and various manufactured products.
7. Capital Invested--The majority of firms interviewed were established on the basis of small cash investments and large credit grants. These funds came from banks and industries which had previous business experience with the owners of these firms through their commercial activity in Cuba. The re-invested dividends account for a large part of the reported total capital.
8. Taxes--The estimated \$3.7 million tax contribution to the Government of Puerto Rico is, perhaps, conservative. This estimate for the 314 firms was based on 86 firms which filed the information. Among these are many supermarkets and new-and-used car dealers which operate on a very narrow margin. Also, there are some industries which are tax-exempt under the Puerto Rico Development programs.

BREAKDOWN OF ECONOMIC CONTRIBUTION
TO THE ECONOMY OF PUERTO RICO BY
CUBAN BUSINESS

Final General Comments: This study reveals that, generally speaking, the contribution made to the economy of Puerto Rico by businesses established here by Cuban nationals, in terms of production, jobs, and financial exchange is of great significance to the economic development of Puerto Rico.

Note

This summary was prepared by Centro Cubano de Puerto Rico based on information from the study made by Publicidad Badillo.

A copy of the complete study may be obtained from:

Centro Cubano de Puerto Rico
Box 3367
San Juan, Puerto Rico 00904

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NUMBER OF FIRMS WHICH INFORMED (SEE THE 146)	DETAILS	TOTAL INFORMED	TOTAL ESTIMATED FOR ALL FIRMS PROJECTION (314)
	Total Employed		14,793
	Cubans Employed		1,983
	Puerto Rican Employed		11,746
	Other Nationalities Employed		679
	Payroll	\$19,469,399	\$48,791,067
	Capital	21,510,884	49,437,103
	Fixed Assets	30,347,323	56,972,692
	Rent Payments	1,319,219	2,606,487
	Purchases to PR firms	87,163,031	72,125,802
	Income Tax Payments	1,961,260	3,739,772
	Exports	1,030,000	2,308,856

NUMBER OF FIRMS
WHICH INFORMED
(OF THE 146)

DETAIL

TOTAL INFORMED

TOTAL ESTIMATED
FOR ALL FIRMS
PROJECTION
(314)

93	Imports	\$41,718,303	\$ 73,341,125
137	Gross Sales	122,824,442	216,109,398