

Ramona Schindelheim, WorkingNation editor-in-chief:

You're listening to Work in Progress, I'm Ramona Schindelheim, editor in chief of WorkingNation. Work in Progress explores the rapidly changing workplace through conversations with innovators, educators and decision makers, people with solutions to today's workforce challenges.

Ramona Schindelheim, WorkingNation editor-in-chief:

Over the weekend Hurricane Fiona hit Puerto Rico causing massive flooding and knocking out power to the entire island. Just weeks before this latest storm, I spoke with Charlotte Gossett Navarro, chief director of the Hispanic Federation Puerto Rico about the lasting impact of Hurricane Maria, which struck the island five years ago on September 20th. Hurricane Maria killed more than 3000 people, affecting more than 45,000 businesses and leaving 40,000 people out of work. Navarro and I talked about the rebuilding effort being led by the Hispanic Federation. One of the key topics of conversation was the ongoing issues with the Puerto Rican power grid, an issue that continues to plague the island. Here's that conversation.

Ramona Schindelheim, WorkingNation editor-in-chief:

Thank you, Charlotte for joining me. I remember when Hurricane Maria hit you had a devastation of the energy grid. Has that been repaired? Where are we at with bringing back that grid?

Charlotte Gossett Navarro, Hispanic Federation:

Well, it's a very timely conversation to have because very recently there have been ongoing protests here in Puerto Rico about the outages that we continue to have constantly and that in the last year have actually gotten worse and have been more frequent. And so unfortunately, I cannot say that our energy grid is in a much stronger place than it was after Hurricane Maria. We do have energy again, we did have the longest blackout in US history, in Puerto Rico's history after Maria in some locations lasting up to a year, and so we have energy again. However, the consistency, the reliability of that energy, the resilience of the system is not there. And to that end, right, the goal of trying to bring more renewable energy to Puerto Rico and really help Puerto Rico transition to 100% renewable energy is our goal in Hispanic Federation, in particularly rooftop decentralized solar energy systems, because that's one of our challenges. The energy infrastructure is a very centralized infrastructure that's located in the South, and then has transmission lines that cross the whole island.

Charlotte Gossett Navarro, Hispanic Federation:

And so sometimes simple things that cause a problem in one location can cause blackouts for half of Puerto Rico, and so we continue to see that problem. Most recently, we saw the issue affect our health system again. It affected our health system After Maria, and then just a few weeks ago, our largest hospital system lost power for 24 hours. The main energy from the grid, the electric grid failed. And then unfortunately, the damage that these blackouts and these outages have to our appliances, our different systems caused their generator to fail as well. And so we had again, the largest hospital system with no energy. And then a week later the pediatric wing of another one of our hospitals had no energy. And so for us we talk about energy as more than just infrastructure, more than just the technology and the equipment that's needed, but really that it is about the humans that are affected behind it. And people who live at home and rely on respirators and other life saving equipment, their life is at risk each time the power goes out.

Charlotte Gossett Navarro, Hispanic Federation:

And so if they don't have a backup source of energy, again, it's a very scary time for someone. When it comes to the economy, it's also really hard to have a strong economy if you do not have reliable energy. If you don't have a system that for a business to operate when there are constant blackouts, it's very difficult. I think about my own cousin has a small business and it's a restaurant and in the past year she has had to throw out three refrigerators full of food on multiple occasions, losing thousands of dollars in the process. It's a very small business, and how do you continue each time to get back up and get your business running when the power goes out, she has to shut the restaurant down, so employees lose their wages that day. And not only is the loss that she takes as a business, but the loss that all of her employees hit, and that's happening across the island. I think about a business like the malls, even the mall doesn't have the backup power, so if the power's out, the mall is closed.

Charlotte Gossett Navarro, Hispanic Federation:

Think about all the stores and most importantly think about all of the employees in there. These are low wage employees losing the limited income they have for that entire day, so it is a challenge to lift up an economy without reliable energy. And the solution from our end is the renewable energy. When it comes to renewable energy, again, besides what the government is doing, which we think should be more to really prioritize the billions and funds that have come to rebuild the energy grid, but have not yet made a firm commitment that they will do decentralized rooftop solar energy systems. The nonprofit sector has also been doing quite a lot to push solar energy systems in communities and particularly in vulnerable communities. Through the work that Hispanic Federation has been able to do in the last five years, we have been able to support the installation of 250 rooftop solar energy systems from places like community centers, firehouses, small businesses, and then most importantly for us on community health centers to make sure that community health centers can continue to provide services to folks even when there is a power outage.

Ramona Schindelheim, WorkingNation editor-in-chief:

Have you had any big energy companies come in to try to work on the island to help or to say, "Hey, I see an opportunity here, not only an opportunity for us, we're a big company, but an opportunity to help the people there."?

Charlotte Gossett Navarro, Hispanic Federation:

There have been some companies, particularly in the solar energy industry that are US based companies. They have members here in Puerto Rico or they are umbrella businesses that then have sort of their subcontractors here again in Puerto Rico. So that does exist and there has been interest, I think they see the potential there for that. Similarly, in construction there have been construction companies that have come in for some of these contracts to do this recovery work. I think again, the challenge for us and from our perspective is that we want to be able to see the small businesses in Puerto Rico be able to take advantage of these opportunities. And so how do we build the capacity of those businesses to scale up? Or how do we shift the way government contracting works in a way that it supports small businesses to be able to participate better? And I think there have been inroads attempted at that as we saw what happened in Puerto Rico.

Charlotte Gossett Navarro, Hispanic Federation:

Federal law requires that. Federal law for the emergency funds, The Stafford Act requires that you contract locally. And so we do want to continue promoting that local contracting, but I do think there definitely has been opportunities for larger US based companies to come in, and some of them have

been able to do that, and some of them do that in a way that then creates opportunities for local small businesses and some haven't.

Ramona Schindelheim, WorkingNation editor-in-chief:

There's also been earthquakes, a pandemic, other tropical storms, so you've been battered for five years. Where are you now when it comes to unemployment and economic development?

Charlotte Gossett Navarro, Hispanic Federation:

We're not where we want to be, right. Unfortunately, the statistics in Puerto Rico put us, unfortunately [inaudible 00:07:52] in some areas we don't want to be [inaudible 00:07:54] in. We have double the poverty of the poor state within the United States. We have over 40% of the population that is below the federal poverty level. We have a income, a median income rate that's also about half what it is for the United States, [inaudible 00:08:11] 21,000 as our median income per year. And we're having challenges, we still have higher unemployment than I think we want. There have been some industries that have bounced back better than others and other industries that have not, and ones where they're looking for workers and can't quite find them yet, particularly some of the industries that are needed for Puerto Rico really to recover.

Ramona Schindelheim, WorkingNation editor-in-chief:

Let's talk about some of the progress that's been made. You mentioned to me before that construction is an area that there's a lot of need for workers, a lot of building going on. Talk a little bit about what's going on in that area.

Charlotte Gossett Navarro, Hispanic Federation:

Puerto Rico had the vast majority of its homes damaged by Hurricane Maria. And so it's been a process to try to reach everyone and work on repairing their home or rebuilding as needed. Our first challenges were trying to get the funding that was necessary, get those funds from the federal government, which were delayed, but recently those funds have reached Puerto Rico and the government is in the process of working and implementing the plans that they have for that reconstruction. One challenge across the industry though, as you mentioned, is that there are not enough construction workers to meet the demand. There's an awful lot of work to do, and we need workers at all levels from basic carpentry, up to more specialized skills. And so the lack of those workers has created a challenge for businesses to engage.

Charlotte Gossett Navarro, Hispanic Federation:

We also have a challenge overall that we've seen across all of the industries, which is the scale of the businesses in Puerto Rico are by US standards often considered small businesses, and it makes it hard sometimes for them to compete for some of these federal contracts. So being able to kind of get your foot in the door to access these funds has been challenging. And oftentimes there are kind of the bigger companies coming in getting those contracts and they have to subcontract down and then trying to again identify the workers who they can hire to do the work. And so some of those structures of what is required to access those federal funds has been challenging for small businesses that work across multiple industries, and that includes construction here in Puerto Rico to really compete and do that work.

Ramona Schindelheim, WorkingNation editor-in-chief:

So what is being done about that? Are you doing any training programs, not necessarily Hispanic Federation Puerto Rico, but are you working with any partners? Or are you going to have to look outside of the island to fill those jobs?

Charlotte Gossett Navarro, Hispanic Federation:

I would say both is happening, so there have been multiple program workforce development programs created. Construction is one of those areas, those are being pushed by one, some of the federal funding is being used to contract organizations, especially non-profit organizations here in Puerto Rico to do some of that workforce development work. In addition, there has been a call from the industry and from the government to try to bring in outside workers. In particular, they are trying to work with the federal government to consider immigrant workers coming to Puerto Rico to fill some of this need. And then there's been a big push by the nonprofit and philanthropic sector as well to find private funding, philanthropic funding to support workforce development programs within the construction industry. And that's not the only industry, right? There are other needs that we have here in Puerto Rico around workforce if we really want to recover, one of those areas is renewable energy.

Charlotte Gossett Navarro, Hispanic Federation:

Puerto Rico, for example, has a policy mandate, in 2019 they passed a local law to ensure that Puerto Rico would be reliant 100% on renewable energy sources by the year 2050. And the primary source of energy is going to be solar energy because that's what makes sense for Puerto Rico. So in order to do that, we need a workforce that can meet that sort of demand to really be able to install the amount of solar energy systems that we're talking about. And that is a training that does require some specialized skills, and we don't currently have enough of the workforce development programs there to do that. There needs to be a special curriculum created, the curriculum that's actually used within the United States is not a curriculum that's accepted here in Puerto Rico. And so there have been conversations around how to address that issue, how to create a workforce program in energy that would meet the potential of jobs that could be created.

Charlotte Gossett Navarro, Hispanic Federation:

One estimate that I recall I think was by, was it 2025? I believe it was 19,000 potential jobs created in the solar energy industry, so that is an opportunity. The other area that is greatly challenged when it comes to workforce is our agricultural industry. So agriculture was devastated by Hurricane Maria. We work particularly in the coffee sector with coffee farmers. Our farmers in Puerto Rico are almost all small scale farmers, again by US government standards, USDA, a lot of them are considered family farms or artisanal farms, but that is what makes up the majority of our agriculture here. And for example, in coffee, they lost over 80% of the coffee trees. And so one challenge we have in this recovery process is with Hispanic Federation Support, we've been able to help the industry recover trees. For example, we distributed over 2 million coffee seedlings to over a thousand farmers here in Puerto Rico in the last two years.

Charlotte Gossett Navarro, Hispanic Federation:

We worked with an organization that came in, an international organization, TechnoServe to come and provide really specialized support on the best agronomic practices, business practices for those farmers. And altogether probably have impacted around 1500 small scale coffee farmers here in Puerto Rico. And they're saying that this year production levels are going to surpass Hurricane Maria production levels. But what is the challenge? While all of those berries are on the trees, right? We don't have the

workforce to pick them, and that is not an easy solution. If we cannot recruit locally, the government and the industry has been in calling for workers to come in from outside Puerto Rico.

Ramona Schindelheim, WorkingNation editor-in-chief:

Is the lack of those workers, is it a skill? Or is it the pay? Or is it access through transportation to those farms?

Charlotte Gossett Navarro, Hispanic Federation:

For agriculture, I think it's kind of all of those combined. I mean it is a skilled work, you do need to know, I think that's something that the farmers can teach the workers and they do that. But I do think also the majority of our population lives more in the urban areas. The farms we're talking about can sometimes be an hour or two hours windy roads, we don't have strong public transportation systems. And although most of those jobs pay above minimum wage, there's still not high wage jobs. All of those factors combined, trying to how do you get someone to the location to do what is difficult work. Also, I think one of the challenges we have in agriculture overall, not just in coffee, but really getting more of a younger generation to want to go into farming in Puerto Rico, is that it is an industry that right now economically is quite difficult for people to enter and to sustain. And for that it's again, a variety of issues from policy issues to climate changes that's happening to access to the land that's needed and workers.

Ramona Schindelheim, WorkingNation editor-in-chief:

I wanted to pick up on that idea of Hispanic Federation and small businesses. So you have an initiative called PopTiendas, which is about micro enterprises. So how is this working? How many small businesses are you helping? And how are you helping them?

Charlotte Gossett Navarro, Hispanic Federation:

The small business initiative, PopTiendas was an idea to try to find an innovative way to support small businesses, and particularly micro enterprises really, who had been affected by Hurricane Maria and either wanted to reopen, start anew right, or to also support young entrepreneurs trying to enter into this field or start a business. And so the idea of a PopTiendas is that we provide them essentially first with at its most basic a container. The original idea was to use shipping containers, but we found a local business, we decided that instead of bringing in shipping containers from somewhere else, we decided to work with a local business here in Puerto Rico that takes [inaudible 00:16:48] steel, right, and turns them into... they can customize them really into almost anything, into storage, into offices. In most of the cases that we're working with, they're turning them almost into what is essentially like a kiosk business, right? Or almost like a food truck without the wheels.

Charlotte Gossett Navarro, Hispanic Federation:

What we do is we customize that for the type of business that's applied to the program. We have three different opportunities to review applications and ultimately selected 30 small businesses, 30 diverse small businesses. And then we provide them with this container, we work with them to customize it for the needs of their business. And in addition to just the container, we add onto that renewable energy, so they have a solar resilient energy for their business, they have water systems, so that they'll always have water even if our water infrastructure fails. We provide them with some of the equipment they need, particularly if they are trying to operate a restaurant type business, we support them in the whole process of getting their permits and in the construction and finding the right location. And then in

addition, we enroll them through one of our partners [inaudible 00:17:55] here in Puerto Rico to receive capacity building, an eight week program of capacity building to really help them with their whole design of their business and their business administration and their marketing and their plan.

Charlotte Gossett Navarro, Hispanic Federation:

So that ultimately by the time they open this business, they are really ready to go. And from within that, we have quite a few sort of more food related businesses from coffee shops to restaurants and pizza shops. But we also have quite a few small farms that are using them to operate and sell farm products out of. We have some businesses that are using them as retail centers or retail stores, we have another, a nonprofit actually that ended up winning to open up what is essentially a tourist information center that's going to help them raise the funds they need to maintain a public beach system that they co-manage. And so these funds are going to help them with the maintenance of that, and it'll be the only space open there for tourists who are visiting that area. And so it's a real diversity of opportunities.

Charlotte Gossett Navarro, Hispanic Federation:

Another one that comes to mind for me that was new this year was a kind of off-road mountain biking business that it's going to be, again, their center for people to come to when they're coming to rent the bicycles and go down the mountains. So there's quite a variety of different businesses that ultimately applied. And for each of these businesses all of this is free. They submit their idea, their concept to us, their business plan, we evaluated it and then selected on the strength of those applications. And in all cases, again, these are all micro entrepreneurs, some of them opening their first business, some of them expanding. We've had folks expand from [inaudible 00:19:41] to this is their upgrade to this new fully sort of sustainable location for their business to run out of.

Ramona Schindelheim, WorkingNation editor-in-chief:

You mentioned the biking down the mountain, tourism is a very important part of the economy there. Are we seeing smaller businesses starting up to offer tourism services, leisure services? Or do you have some big companies that are in there that are doing this?

Charlotte Gossett Navarro, Hispanic Federation:

Both. So tourism is definitely a big part of Puerto Rico's economy, and I would say that includes both external tourism, so people visiting Puerto Rico, but also the internal tourism. And so there's been quite a lot happening in tourism recently, I think it was probably one of the first industries to really come back after the pandemic. Puerto Rico have been on the list of number one locations that people in the US are visiting for quite a while since the pandemic. And I think a lot of that had to do with how difficult it is to visit other countries, and so as people search, they found, "Oh, here is an alternative, a beautiful location. I don't need a passport to arrive and I can get there. And it's within the boundaries of the United States." And so we did see a major increase in tourism.

Charlotte Gossett Navarro, Hispanic Federation:

How it's being attended to I think is again a diversity of ways. So first, one good thing that I've really seen is I do think there's a lot of a big push to really bring people outside of the traditional locations of tourism. There's a lot of community scale efforts to bring tourists to visit the municipalities far away from the typical tourist areas of Puerto Rico, which would include, for example, San Juan. A lot of people come and they visit San Juan and they never leave San Juan, and so there's been a lot of efforts to really get people to understand the beauty that is beyond San Juan. And that again, has a lot to do with both

local tourism and trying to get folks who live in Puerto Rico to visit other municipalities, but also tourists who arrive in Puerto Rico. We also have, the government has a big effort to push tourism. I think it's a big part of their recovery plan and their economic development plan. And then there are companies here in Puerto Rico that have been shifting the way that tourism works.

Charlotte Gossett Navarro, Hispanic Federation:

There's quite a large short term rental industry here in Puerto Rico, for better or worse than it's both. There are some things that it has helped promote, for example, the opportunity to have a non-traditional stay and sort of in a hotel, to be able to stay in a different community and have a unique experience. But on the other side of that, right, comes the challenge, it's a fairly unregulated industry, there's very little done to try to ensure that the spread of short term rental doesn't affect communities negatively and their development. It's already dramatically affecting housing affordability here in Puerto Rico and housing access. And so there is something that needs to happen there to look at how do we find the right balance between the opportunities that something like a short term rental industry can bring to a community, but also to prioritize first the needs of that community and particularly their housing needs and to make sure that housing continues to be accessible for community residents. There are pros and cons to it, and it's finding that right balance there.

Ramona Schindelheim, WorkingNation editor-in-chief:

Hispanic Federation is an advocate for equitable recovery, making sure that the people in Puerto Rico are served by whatever comes in. And I think that's a good example is you can bring in tourists, but if it's going to hurt the community, you've got to figure out how, as you said, make that balance. Where do you see your hope? Where do you see the best chance for progress right now?

Charlotte Gossett Navarro, Hispanic Federation:

I think some of the good things that we are seeing here in Puerto Rico is that after a long wait and a long fight, Puerto Rico now has access to the funding that it needs. It is creating an unprecedented opportunity for Puerto Rico to rebuild and to do so in a way that is more sustainable for long term recovery that isn't just about what happens this moment, but how does that recovery, how does that economy get created in a way that again, supports a true sustainable vision for Puerto Rico in all of its senses, economic, social, environmental. Another excellent opportunity related to those funding is the issue of this energy. There is a perfect alignment right now of the federal government's priorities for renewable energy. Puerto Rico's local policy that was passed in 2019 to achieve a hundred percent renewable energy. The funds that we now have for the recovery, plus new opportunities that are coming out of the very recent legislation that was passed in Congress.

Charlotte Gossett Navarro, Hispanic Federation:

All of these things are aligning to really ensure that Puerto Rico could, if it wants to, if the political will is really there to commit to what the policy says that Puerto Rico can truly achieve its renewable energy goals. And I think it's an economic opportunity, I think it's a sustainability opportunity. It would make Puerto Rico on the vanguard of ahead of most other places to be able to say we are on a hundred percent renewable energy. And to do so again in a way that also creates that resiliency, that also helps reduce our energy costs for families and just makes living here in Puerto Rico something that is healthier in all the ways that you can mean the word health, right? And that it is an area for people to prosper for our physical health, for our mental health, for our economic health, our environmental health.

Ramona Schindelheim, WorkingNation editor-in-chief:

What is your own personal tie to Puerto Rico? Were you born there? Did you move there? How did you become involved in this fight for the people of Puerto Rico?

Charlotte Gossett Navarro, Hispanic Federation:

So I grew up in New York, but my mother is from Puerto Rico and she actually grew up right down the street from where I live right now. I arrived in Puerto Rico with Hispanic Federation after Hurricane Maria. I moved from New York to help open our office, which this year, along with recognizing and remembering what happened with Hurricane Maria, for us it's also a moment of reflection to look back on the work of the five years of Hispanic Federation. And it's been really rewarding to have the opportunity to do that. It's been a positive experience to look back on all of our work, on our collaborations, on the partnerships we've made, on the nonprofits and communities we've been able to work with. To date, in five years we've been able to invest over \$50 million in Puerto Rico's recovery. And that has touched on issues from energy to agriculture, economic development, healthcare access, education, gender justice, to housing, housing and community planning.

Charlotte Gossett Navarro, Hispanic Federation:

We've been able to take a really holistic approach to the work that we do and really try to ask with every project we're working on, how do we tie it to economy? How do we tie it to environment? How do we tie it to health? And how do we ensure community participation? And so to really try and look at things from a high level that help us understand how these systems are interconnected so that again, as we are investing the funding that we're doing so in a way that ultimately achieves sustainability and achieves a place where anyone who lives in Puerto Rico, where Puerto Ricans can really thrive in the future.

Ramona Schindelheim, WorkingNation editor-in-chief:

Charlotte, thank you very much for sharing what Hispanic Federation has been doing in Puerto Rico for the last five years. I really appreciate you telling us about the effort.

Charlotte Gossett Navarro, Hispanic Federation:

Thank you, Ramona. Thank you for the time today.

Ramona Schindelheim, WorkingNation editor-in-chief:

That's part of my conversation with Charlotte Gossett Navarro, chief director of the Hispanic Federation Puerto Rico recorded just weeks before Hurricane Fiona hit the island territory. I'm Ramona Schindelheim, editor in chief of WorkingNation. Thank you for listening.