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GOVERNMENT OF
THE UNITED STATES VIRGIN ISLANDS



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Catherine A. Hendry, Esq.—Commissioner

September 18, 2015

Mrs. Holly O' Brien
Regional Administrator
U.S. Department of Labor/ETA
John F. Kennedy Federal Bldg., Rm E-350
Boston, MA 02203

Dear Mrs. O'Brien:

In accordance with TEGL (Training and Employment Guidance Letter) No. 23-13, the Virgin Islands Department of Labor hereby submits its PY 2014 Labor Market Economic Analysis.

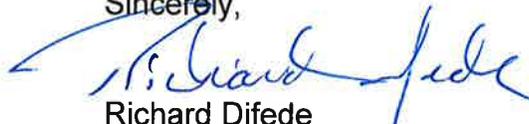
If you have any questions or concerns regarding this information, please feel free to contact Mr. Gary Halyard or me at (340) 773-1994 extension 2104 or 2101, respectively.

Thank you for your continued support, cooperation and assistance.

Sincerely,

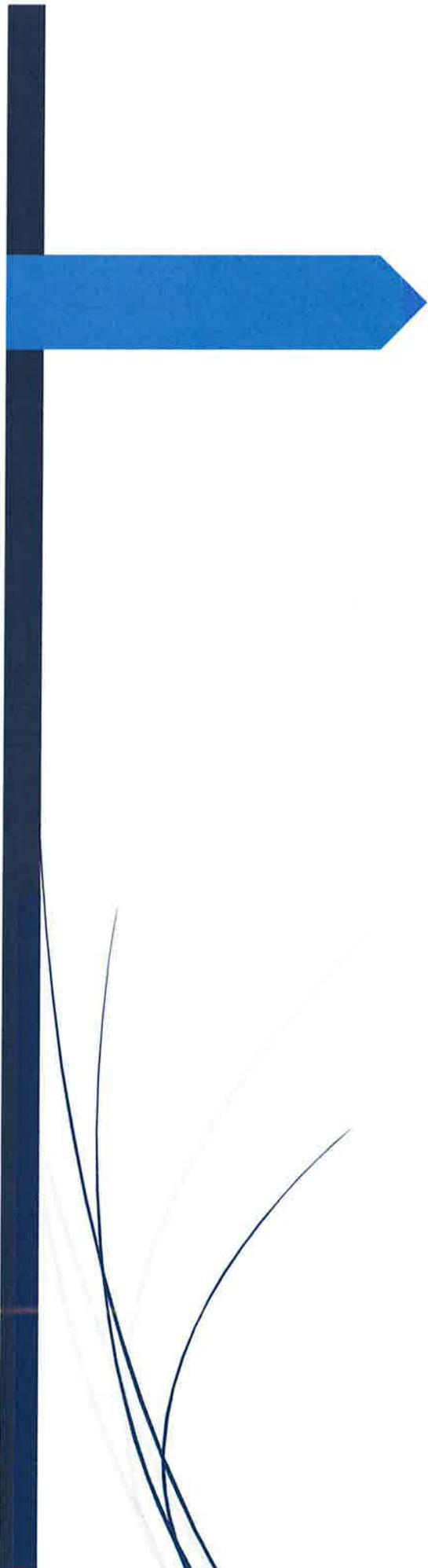

Catherine A. Hendry, Esq.
Commissioner

Sincerely,


Richard Difede
WIB Chair

cc: Amanda Schaffer, USDOL/ETA
Gary Halyard, Director, VIDOL-BLS

"Labor Works...Let Labor Work For You."



Virgin Islands Annual Labor Economic Analysis 2014

“A Transition from Investment to Innovation”

VIDOL Labor Market Basket

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Overview

The employment level in the Virgin Island's averaged 37.9k throughout the period. This was slightly down from the 2013 average of 38.6k, indicating the continued slow job growth occurring in the labor market. Unemployment data during this timeframe also indicated a drop in the labor force, as unemployment hovered around 12.9% during the cycle. Although there has been significant decrease in the number of persons filing for unemployment, the continued slow pace and strong decline in the manufacturing sector has contributed to the continued slow pace of recovery. Job demand has been focused more on seasonal employment in the leisure and hospitality sector as well as some protective services industry growth.

Occupational wages during the cycle averaged \$16.81 per hour and annual mean salary was \$34,960 based on the occupational employment wage survey data. This amount was marginally higher compared to the previous year's information on occupations within the Territory, at \$16.72 per hour. The prevalent occupations during the period were in office and administrative support, sales, food preparation, and protective services.

Job openings were roughly around 2,522, based on establishment's postings of vacancies on the VI electronic workforce system. On average there were 211 monthly openings, with the leisure and hospitality, retail, and construction sector seeking candidates. Most of the openings during the cycle were based on seasonal announcements for the tourism season activity, in addition to some public sector construction jobs.

The projected outlook for industry and occupational employment reflects a decline in all sectors of industry, in turn affecting demand for occupations. The latest round projected out into 2016 shows a decline. However, this does not signal no employment activity, just a diminution in the growth factor (new job vacancies), offset with activity in replacement jobs. This replacement factor is based on the seasonal aspect of employment in the Virgin Islands that ebbs and flows with the tourism season as establishments and industry hire and furlough within the cycle.

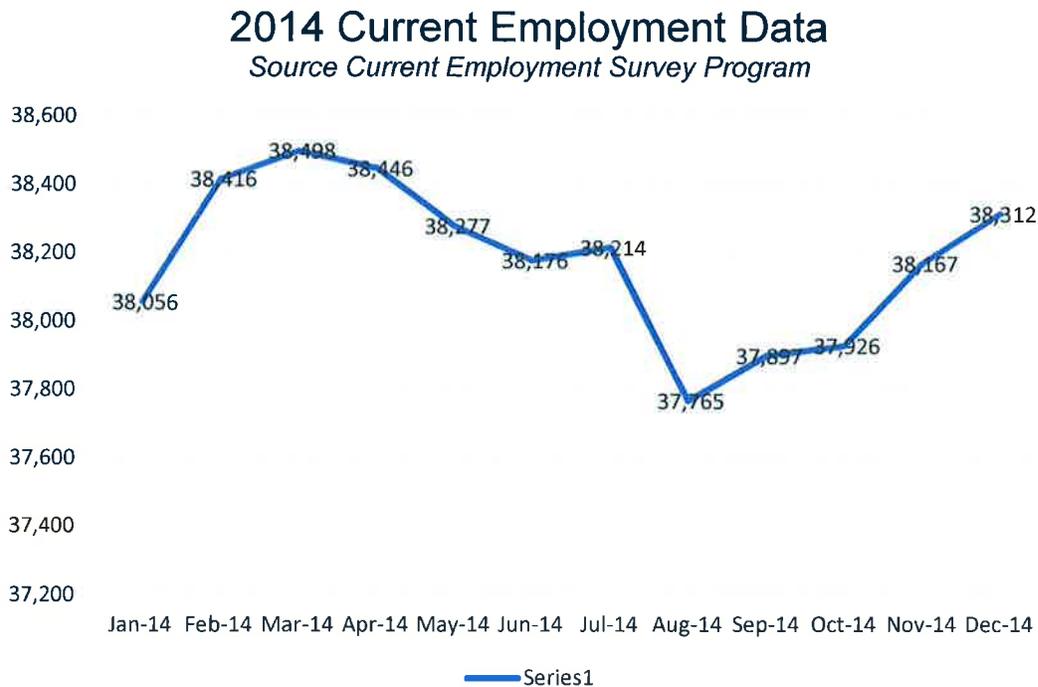
Looking at job demand in the near term, approximately 1,900 jobs are expected to come online out to 2016. Of that amount 209 are expected to be a result of growth in occupations, while the residual will be a replacement factor (firms replacing vacated positions with and no net growth), as a result of seasonality in the job market.

Key components and drivers of entry into employment and the labor market are the required educational and skills level of occupations within the industries. 40.37% of projected job openings into 2016 will require, at a minimum, candidates with a high school diploma or less, level of educational attainment. In addition, roughly 50.53% of the postings required level of training to attain competency in the job will be on a short term basis.

Employment

During the year mean employment was 38,179, with the month of March peaking at 38,498, and the low point of 37,765 in August of the same year (See table 1). Compared to over the year, employment was slightly lower than 2013.

Table 1



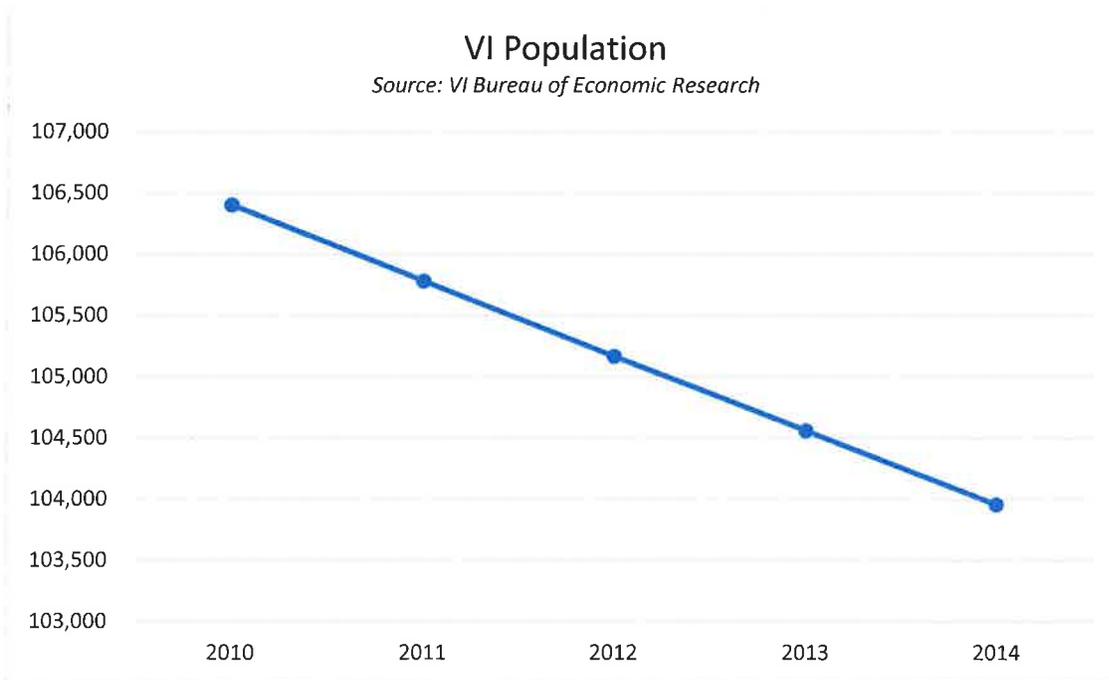
Looking at sector level data, the service producing sector represented 94% of employment to include private and public employment. The goods producing sector employment averaged 2k during the term. The public sector (government, federal, quasi, and educational institutions) made up the largest sector of employment at around 10k. In the private sector employment, the areas of highest concentration were in the retail trade and transportation areas at 8k, followed by leisure/hospitality, professional services, and financial activities.

Demography

According to published data of the Virgin Islands Bureau of Economic Research, the resident population declined by -0.6 percent for the year. The population in 2014 was estimated at 103,961,

compared to 104,563 in 2013. Over a four year period the Territories population has reflected a decline (see Table2).

Table 2



The decline of the period is approximately 2,444. The island of St. Croix averaged 236 annually over the period, St. John 45, and St. Thomas 330. The decline in the population has also mirrored the labor force estimates throughout the period, as the continued slow growth in job availability has impacted the market.

Table 3

Area	2010	2011	2012	2013	2014
VI	106,405	105,784	105,169	104,563	103,961
St. Croix	50,601	50,247	50,005	49,938	49,656
St. Thomas	51,634	51,266	51,051	50,610	50,316
St. John	4,170	4,134	4,113	4,015	3,989

The impact of the marginal growth in the economy can be seen in the data across all islands (see table3).

Unemployment

The unemployment situation continued to remain at double digit levels in 2014. The rate averaged 13.0% within the Virgin Islands.

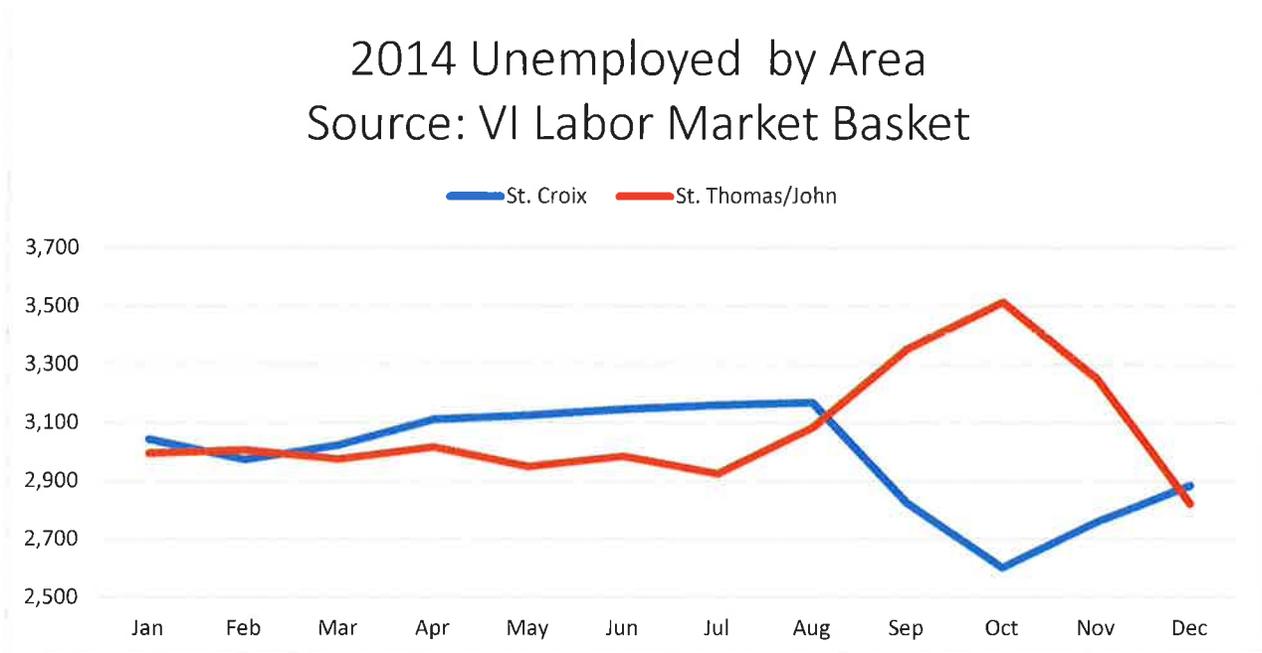
Table 4

Time Period	Labor Force	Employed	Unemployed	Unemployment Rate
January, 2014	46,561	40,523	6,038	13.0%
February, 2014	46,892	40,913	5,979	12.8%
March, 2014	47,049	41,049	6,000	12.8%
April, 2014	47,137	41,009	6,128	13.0%
May, 2014	46,773	40,698	6,075	13.0%
June, 2014	46,715	40,584	6,131	13.1%
July, 2014	46,793	40,708	6,085	13.0%
August, 2014	46,567	40,314	6,253	13.4%
September, 2014	46,671	40,492	6,179	13.2%
October, 2014	46,709	40,592	6,117	13.1%
November, 2014	46,857	40,845	6,012	12.8%
December, 2014	46,594	40,886	5,708	12.3%

The Territory's mean labor force was 46,777 in 2014, with March climbing to 47,137, and the lowest period in the off season during August. The unemployed count averaged 6,059, with employment roughly within 40,718 on average. With the continued slow economic recovery, and since the loss of the highest employers within the area, the contraction of the labor force has shifted the data set and variance when data is disaggregated. Job activity based on seasonal employment is occurring in the St. Thomas/John area, with minimal growth, compared to slow market activity, in St. Croix. This can be seen in table 5 which details the unemployed counts during the year.

St. Croix unemployment rate averaged 13.92%, compared to a slightly lower 12.13% in St. Thomas/John, continuing to signal a weakened market compared to cycles prior to 2008. In the St. Thomas/John district the unemployed average amount was 3,073 compared to a slightly lower rate of 2,985 on St. Croix.

Table 5



As stated earlier, and represented in the trend chart of table 5. The labor market of both districts continue to be affected by a lethargic market, however, based on the seasonality in the local economy, and the flow and ebb of persons within the workforce, slight convergence occurred in the number of persons employed during the months of December, January, and February, compared to the divergence in the spread of the estimated unemployed count turning in the fourth quarter of the year and peaking in October prior to holiday and tourist season employment activity in the market.

Occupational Wage Estimates

The occupational employment survey of 2014, estimated that mean wages of Virgin Islands occupations was \$16.81, and an annual salaried amount of \$34,960. The most common occupation in the Virgin Islands survey was retail salespersons with an hourly median wage of \$9.67, and annual median salary of \$20,120. General operations managers, office clerks, security guards, and cashiers were the next highest concentration of occupations in the survey. Each of these median hourly rates were \$26.61, \$10.97, \$9.78, and \$8.84 respectively.

Occupations on the lower level of the spectrum were the following:

Table 6

Occupations	Median Wage	Median Salary
Child Care Workers	\$8.41	\$17,490
Packers	\$8.59	\$17,870

Occupations	Median Wage	Median Salary
Cooks	\$8.61	\$17,900
Food Servers	\$8.66	\$18,010
Restaurant Host and Hostesses	\$8.70	\$18,090

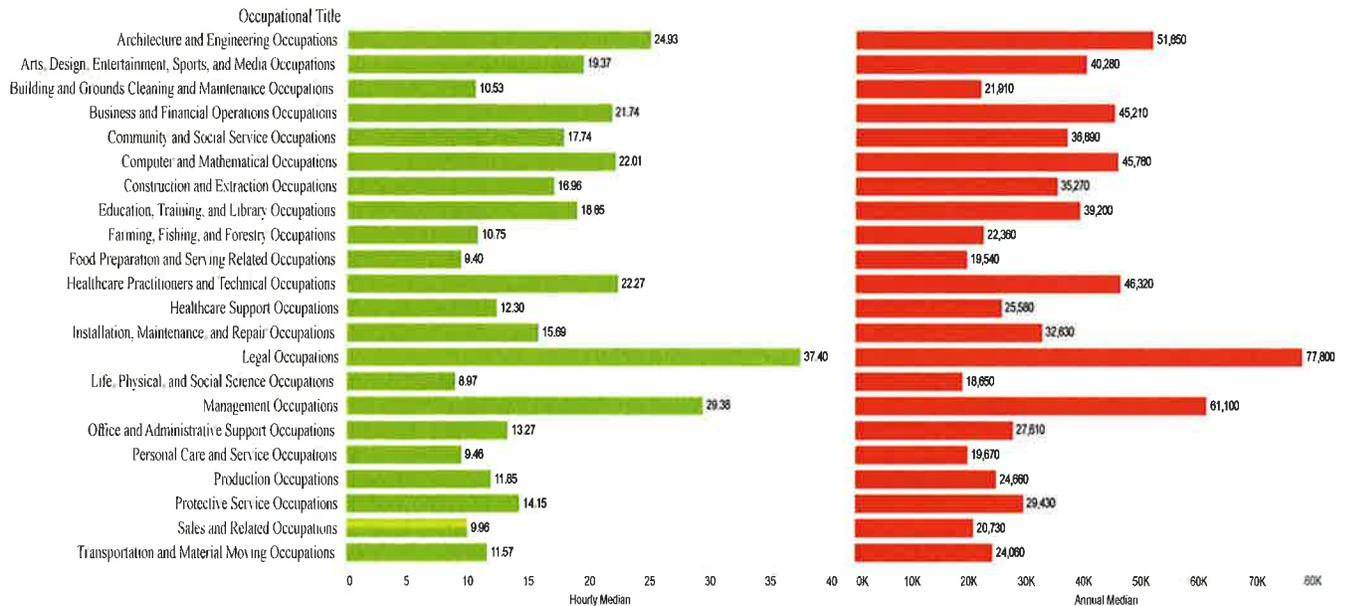
At the high end of the spectrum, but representing a lower count in employment the following occupations were (see Table7).

Table 7

Occupations	Median Wage	Median Salary
Chief Executives	\$60.10	\$125,000
Lawyers	\$50.98	\$106,040
Pharmacist	\$50.87	\$105,810
Physicians	\$46.35	\$96,410

Table 8 provides a visual portrait of the 2014 major categories of occupational median hourly and annual wages for occupations in the Virgin Islands.

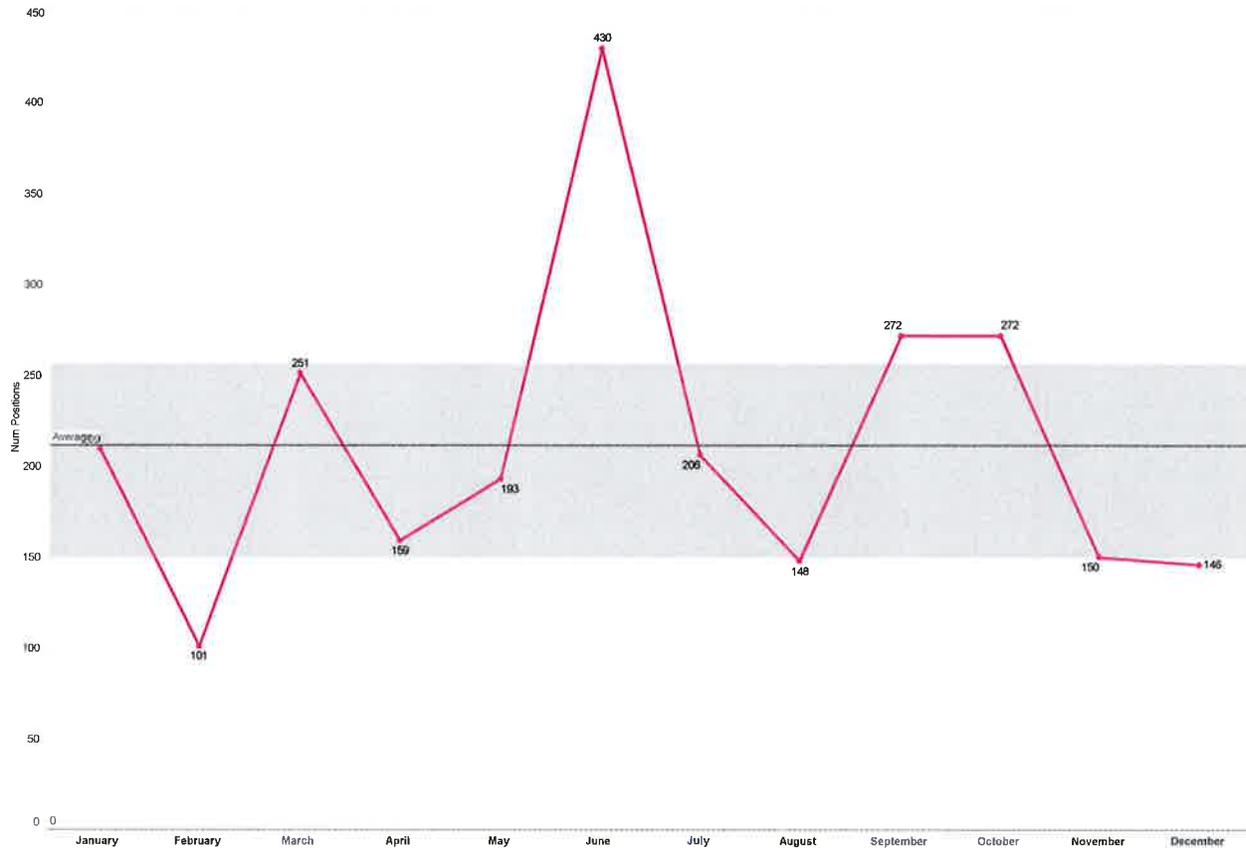
Table 8



Job Vacancy

The job market during the 2014 cycle announced 2,522 (as per job vacancies registered with VI Department Labor, and in accordance with VIC§303b) vacancies throughout the various industry sectors of the economy. Data denotes that on average 211 jobs were posted on a monthly basis (see Table 9 trend analysis), with June peaking at 430, and the lowest month being February of 101 potential positions.

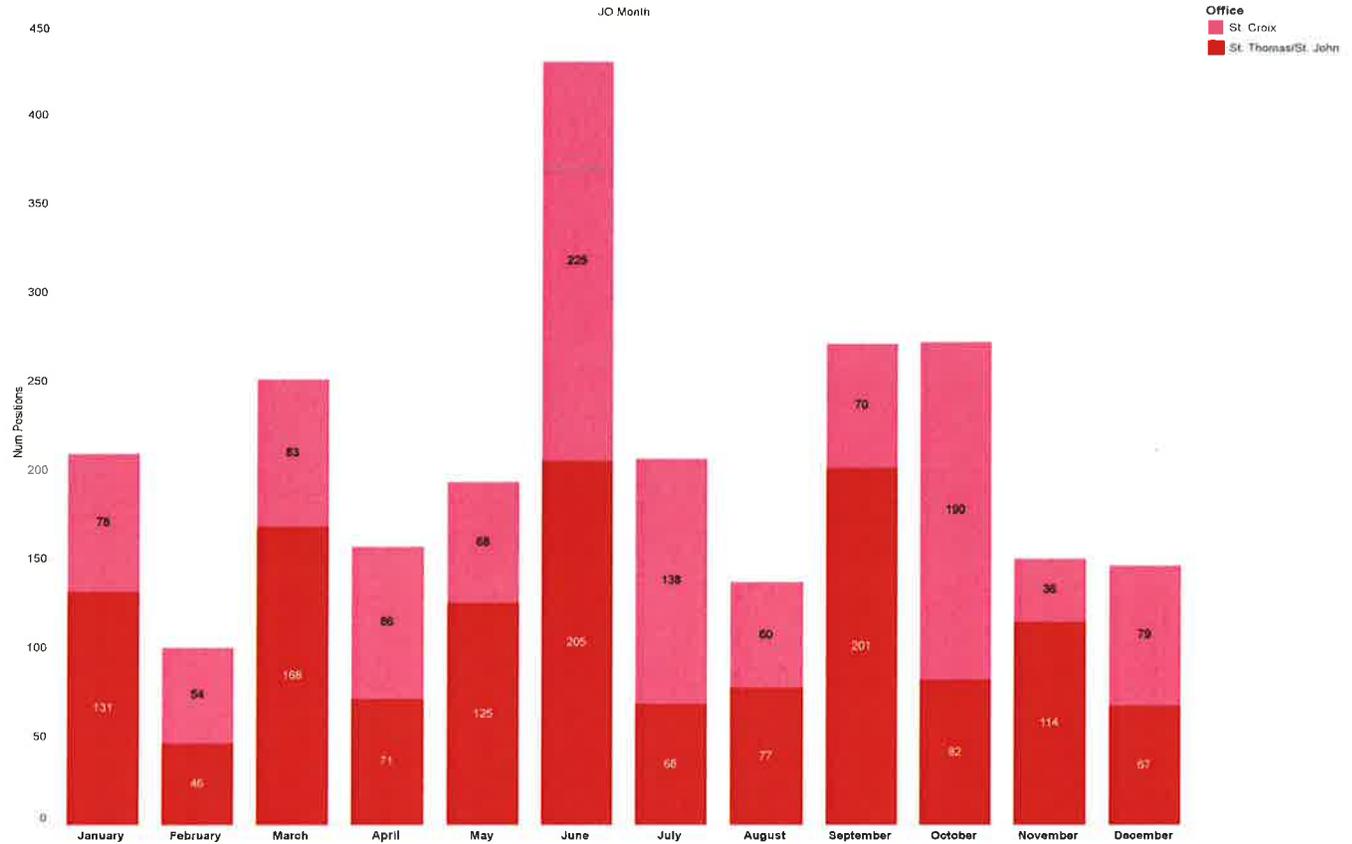
Table 9



Disaggregating the data between the district landscape, St. Thomas and St. John area represented about 53.7 percent of the openings, with St. Croix at 46.3 percent. Compared to prior years, the job market has experienced a weakened trend, down 23.14% from the 2013 time period. This decline has been caused by the contraction and shift in the economy with many manufacturing positions waning on the close of the refining processing in the St. Croix district that contributed to job market demand during its operations.

Looking at the data stacked together monthly (see Table10), the bar chart details the disaggregated counts of job opening by each month for each island district.

Table10



The highest point during the year was in June wherein 430 job postings were filed, with the construction sector producing the most in both districts that were related to a public construction project, and the first quarter of the year, specifically the month of February, having the least demand for workers. In the months of January, March, May, June, September, and November the St. Thomas and St. John district posted numbers higher than 100 in a given month, while in St. Croix, the months of June, July, and October reflected openings over 100 during the 2014 period.

Industry demand is responsible for moving occupational supply into jobs, as these sectors post openings during a given period, employment trend and data respond with increase or decrease for specific occupations. Establishments in the accommodation sector lead the pack in posting over 500 openings. Trailing this sector, was the construction, professional and technical services, administrative/support services, and general merchandise stores.

Splitting the sector demand into respective island areas, accommodations and construction sectors lead the way, however St. Thomas openings in the hospitality sector represented 64%, compared to 36% on St. Croix. In converse, the construction sector’s demand was 63% in St. Croix and 37% of the total 211 posted vacancies.

Although the sectors of each island area mirror each other, the order of magnitude is the fundamental variance, however, some sectors concentration or counts are varied and the following were some of the concentrations of higher counts of demand versus no openings in the opposite district:

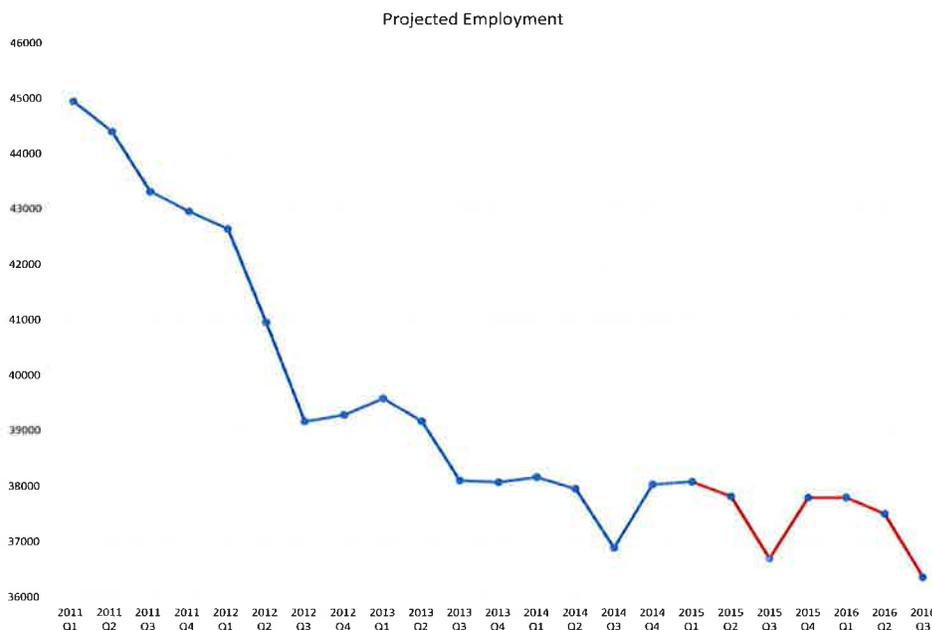
On St. Croix, the construction sector demand was higher with 132 positions compared to St Thomas/St. Johns' 111 count. Other areas of industry that were of higher concentration were admin support, professional and technical services, and nursing and residential care. In the St. Thomas/St. John district, the accommodation, food services, general merchandise, and telecommunications services outpaced the St. Croix district denoting the composition of industry concentration between the island areas.

Labor Force Projections

Industry and Occupational projections provide an inference of what sectors and occupations are expected to grow or decline over a given period of time. The projections are developed combining current economic data with an annualized base year employment data series (Quarterly Census of Employment Wages Data). Current and past trends in the economy are analyzed using regression modeling and applied to develop projections.

During the 2014 period, projections were done using projection modeling analysis based on the base year employment of 2014 out to the third quarter of 2016. The current outlook reflects a - 1,676 employment count decline out to 3rd quarter 2016 (See table 11).

Table 11



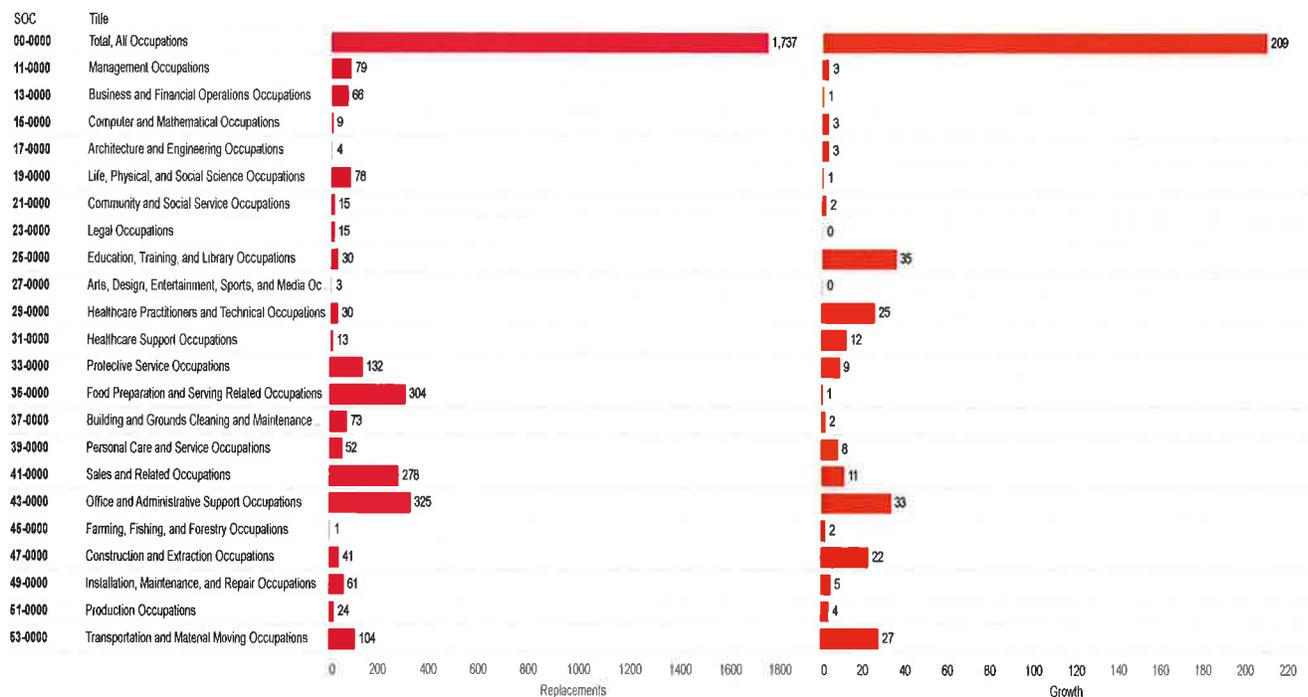
This projected decline is based on the continued slow recovery and the model follows the trajectory of employment contracting over the past five cycles. At the super sector level (highest level in the

taxonomy of categorizing industry employment), the other services sector experienced the most decline, down by -20.34 %, due to the furlough of maintenance related workers assigned to clean up the shuttered refinery. Although most sectors are expected to decline in the short term, the educational services, health care/social assistance, retail, and administrative support will see marginal expansion.

Occupational projections for job openings in the short term are expected from a replacement factor compared to growth. Job openings are measured by two major components growth and replacement factors. Growth represents openings due to expansion, compared to replacement openings which are created by retirement, transfer to other occupations, seasonal temporary employment factors, and disability.

89.3% of the job openings are expected from a replacement factor, approximating 1,737 with the remaining 209 attributed to growth. These replacement jobs are primarily part of the leisure and hospitality sectors with sales related, office and administrative, transportation, protective services, and laborers, representing the majority. Other occupations that represent a smaller proportion of the replacement factor are repair technicians, construction, social science, education, health care, and financial occupations. Occupations expected to see some growth are teaching, nursing, administrative and secretarial, and construction laborers. The occupations by growth and replacement factors counts can be seen in below in Table 12.

Table 12

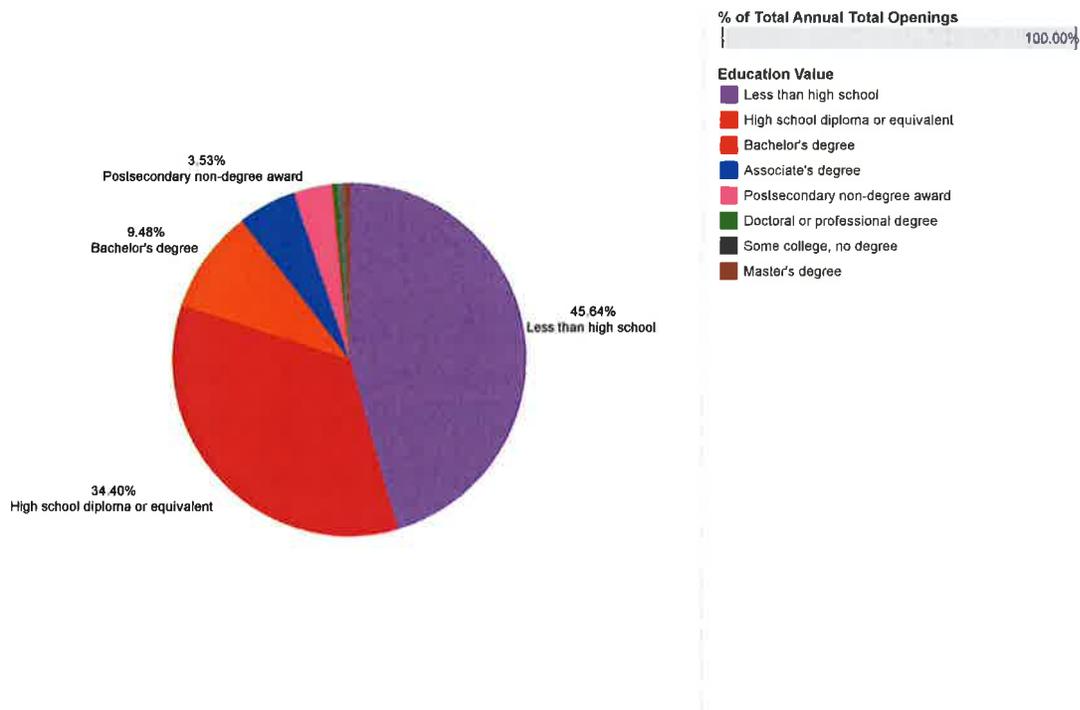


Educational and Training

Projections of the occupations by education and training levels, gives training officials, the education system, employment counselors, and planners information on the required educational and training needs of occupations.

The majority of occupational educational needs in the short term 3rd quarter of 2016 require high school diploma and less, representing 80% of the projected openings. Table 13 details the proportional share of the educational value of the combined growth and replacement occupational openings.

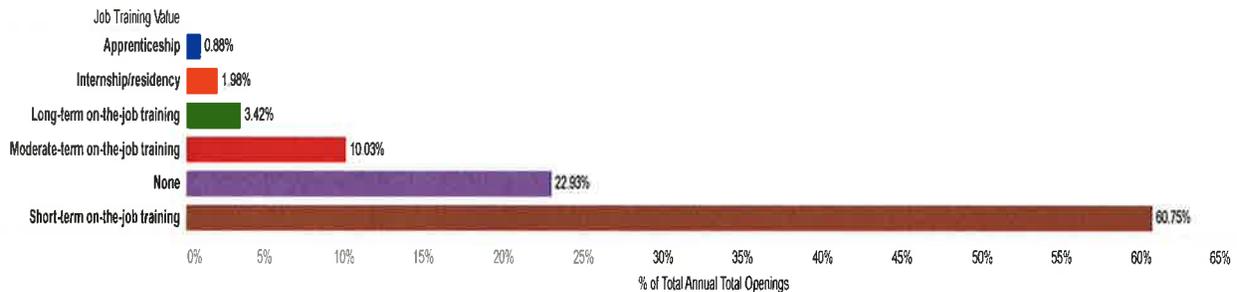
Table 13



When parsed at the replacement and growth component, the required educational attainment level remains proportionally the same, with 1,378 of the replacements requiring high school diploma or less. 94 required associates and 173 at the bachelor's level. 128 of the 209 growth occupations require a high school diploma or less, with 35 for bachelors, 12 for associates, and the residual spread among post-secondary or professional post-secondary certificates or licenses.

The second category assigned to occupations is the job training needed to attain competency in various occupations. This category provides information on additional training or preparation that is typically needed once employed in the occupation. This category also assists planners, job seekers, counselors, training providers, and employers with preparing training curriculum or access for employees to attain these skill sets once employed and during the course of their employment.

60.75% of projected openings in the Virgin Islands will require short-term on the job training based on the typical skill sets required for the occupations. Some of the occupations, as stated earlier in this analysis are primarily found in the leisure and hospitality, retail trade, and administrative support sectors. Approximately, 10.03% require moderate on the job training, and apprenticeship requirements are below one percent of the projected openings. The table below provides the percentage of training requirements for the short term anticipated job creation.



With the transition to an over 90% service producing economy, and the steep decline in the goods producing sector, which was mainly attributed to petroleum refining and other related processes abrupt discontinuance, the entire Virgin Islands occupational demand structure has transitioned. The demand has moved into seasonal employment mainly in the leisure and retail trade sectors. This shift has also changed the dynamic of required skill sets and training that is customarily associated with manufacturing and construction occupations. At one point in the economy, medium to long term training, and apprenticeships were in demand based on the large manufacturing base, but has waned into short and medium term requirements as the service industry has become the dominant sector. This can be seen in table 15, where the occupational titles, and their respective training value are presented with the count of projected openings.

SOC Title	Job Training Value				None	Short-term on...
	Apprenticeship	Internships/...	Long-term on...	Moderate-ter...		
Accountants and Auditors					12	
Amusement and Recreation Attendants						4
Automotive and Watercraft Mechanics			4			6
Automotive Service Technicians and Mechanics						2
Baggage Porters and Bellhops						2
Bailiffs				2		
Bartenders						15
Bill and Account Collectors				2		
Billing and Posting Clerks						2
Bookkeeping, Accounting, and Auditing Clerks				4		
Budget Analysts					4	
Bus Drivers, Transit and Interurban				2		
Business Operations Specialists, All Other					2	
Butchers and Meat Cutters			2			
Captains, Mates, and Pilots of Watercraft					4	
Cargo and Freight Agents						4
Carpenters	4					
Cashiers						64
Chefs and Head Cooks					2	
Child, Family, and School Social Workers					2	
Childcare Workers						12
Cleaners of Vehicles and Equipment						2
Combined Food Preparation and Serving Workers, Except Short Order Cooks						10
Commercial Divers				9		
Community and Social Services Workers					2	
Compliance Officers				2		
Computer User Support Specialists				2		
Construction Laborers						14
Cooks, Fast Food						5
Cooks, Institution and Cafeteria						2
Cooks, Restaurant				10		
Cooks, Short Order						2
Correctional Officers and Jailers				7		
Counter and Rental Clerks						3
Counter Attendants, Cafeteria, Food Concession, and Sales						9
Court, Municipal, and License Clerks				2		
Customer Service Representatives						20
Data Entry Keyers				2		
Detectives and Criminal Investigators				2		
Dining Room and Cafeteria Workers, Except Short Order Cooks						3
Dishwashers						17
Driver/Sales Workers						4
Electricians	2					
Elementary School Teachers, Except Special Education		6				
Eligibility Interviewers, Government				2		
Emergency Medical Technicians and Paramedics					3	
Environmental Scientists and Specialists, Including Water					2	
Executive Secretaries and Executive Administrative Assistants					3	
File Clerks						2
Financial Analysts					2	
Financial Managers					3	
Firefighters			7			
First-Line Supervisors of Food Preparation and Serving Workers					4	
First-Line Supervisors of Helpers, Laborers, and Moving and Material Handlers					2	
First-Line Supervisors of Mechanics, Repairers, and Vehicle Inspectors					4	
First-Line Supervisors of Office and Administrative Support Workers					10	
First-Line Supervisors of Production and Operating Workers				2		
First-Line Supervisors of Retail Sales Workers					2	
First-Line Supervisors of Restaurant and Food Services Workers					11	
Fitness Trainers and Aerobics Program Attendants						2
Food Preparation Workers						10
Food Servers, Nonrestaurant						2
Food Service Managers					2	
General and Operations Managers, Except Executive					21	
Heating, Air Conditioning, and Refrigeration Mechanics and Installers			2			
Heavy and Tractor-Trailer Tractors Operators, Except Long-Haul						5
Home Health Aides						5
Hosts and Hostesses, Restaurant, Lodging, and Motion Picture					13	
Hotel, Motel, and Resort Desk Clerks						6
Human Resources Assistants, Except Recruitment					2	
Human Resources Specialists					2	
Industrial Machinery Mechanics			2			
Janitors and Cleaners, Except Maids and Housekeeping Cleaners						13
Laborers and Freight, Stock, and Material Movers, Except Light Truck or Delivery Services						20
Landscaping and Groundskeeping Workers						10
Laundry and Dry-Cleaning Workers						8
Lawyers					4	
Lifeguards, Ski Patrol, and Amusement Ride Operators						4
Light Truck or Delivery Services Drivers						4
Maids and Housekeeping Cleaners						10
Maintenance and Repair Workers, All Other			12			
Managers, All Other					2	
Medical Assistants					3	
Medical Secretaries				4		
Middle School Teachers, Except Special Education		2				
New Accounts Clerks				2		
Nursing Assistants					3	
Office Clerks, General						27
Packers and Packagers, Hand						7
Paralegals and Legal Assistants					2	
Pharmacy Technicians				2		
Police and Sheriff's Patrol Officers				18		
Preschool Teachers, Except Special Education					5	
Protective Service Workers, Except Police and Sheriff's Patrol Officers						2
Receptionists and Information Clerks						9
Registered Nurses					8	
Reservation and Transportation Services Workers						3
Retail Salespersons						30
Sailors and Marine Oilers					2	
Sales Representatives, Services				2		
Sales Representatives, Wholesale and Retail						2
Secondary School Teachers, Except Special Education		6				
Secretaries and Administrative Assistants, Except Executive						10
Security Guards						18
Shipping, Receiving, and Traffic Clerks						4
Social Science Research Assistants					32	
Stock Clerks and Order Fillers						38
Substitute Teachers		2				
Switchboard Operators, Including Long Distance						2
Tax Examiners and Collectors, and Tax Preparers				3		
Teacher Assistants					4	
Tellors						4
Tour Guides and Escorts				4		
Transportation Security Screeners						8
Waiters and Waitresses						47

This report was compiled by the Virgin Islands Department of Labor's Labor Market Information office. Publications and reports are titled under the Labor Market Basket. All information and data were compiled from various statistical programs within the agency from USDOL Employment and Training, and US Bureau of Labor Statistics programs. The projections provided were in accordance with USDOL ETA sponsored Projections Managing Partnership guidelines, and software provided by the organization.

This report and other workforce information data can be found at our labor market information portal. The Virgin Island Electronic Workforce System:

<https://www.vidolviews.org/analyzer/default.asp?fromalentry=1>