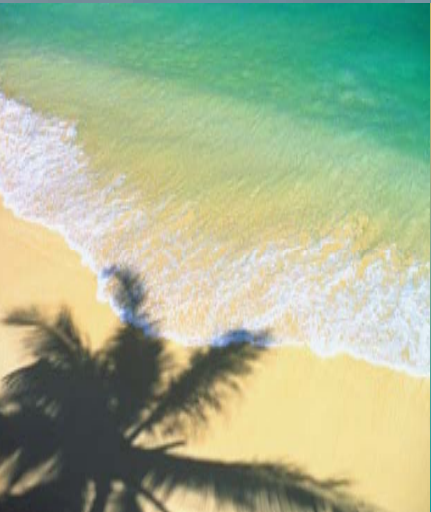


The Virgin Islands Labor Market Analysis

2006
2006



US VIRGIN ISLANDS
DEPARTMENT
of **LABOR**

Bureau of Labor Statistics



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Virgin Islands Labor Market Overview

The Virgin Islands Department of Labor, through its Bureau of Labor Statistics, has compiled this 2006 annual economic analysis report, which focuses on the overall labor market. The primary sources of this information came from data collected through established Bureau of Labor Statistics programs, and Unemployment Insurance wage records. This report will review various aspects of our labor market and cover labor force estimates, industry, and occupational statistics.

The Virgin Islands economic growth in FY 2006 was at 3.5% (adjusted for inflation), this growth was most notable in the construction and retail trade industries. This change has attributed to a favorable balance of trade with exports outweighing imports \$0.2 billion in 2006.

The changes in the economy during this cycle also affected the workforce with increased employment and industrial growth. Most notable, was the construction industry with construction permits value reflecting a 13.5% increase over the prior year (*source; VI Department of Planning and Natural Resources*), and at the same time occupational employment statistics (*source; VIDOL BLS data*) indicate this industry has experienced the most growth in the workforce.

In looking forward, this growth is expected to continue but at a slower pace, and upward trends in the labor market are expected to level off with no significant upswing. This is due to the many public and private capital projects entering the final stages of construction in the 1st and 2nd quarter of 2007.

Labor Force Analysis

The Labor Force analysis provides historical data on the current labor force population ages 16 and over within the Virgin Islands. The data in this section is derived from Labor Market Information produced by the Department of Labor Bureau of Labor Statistics.

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Labor Force Analysis

Labor Force Estimates

The labor force estimates represent all civilians employed and unemployed ages 16 and over. The table below represents a five year trend for the Virgin Islands. Based on the reported estimates, the Virgin Islands workforce has grown by 5.75% (base year 2002).

VI Labor Force Estimates 2002 - 2006

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2006	50,741	51,483	52,236	53,132	51,826	52,263	52,370	52,176	52,063	52,139	52,516	52,698
2005	51,222	52,162	51,264	50,814	50,438	50,446	52,056	51,485	51,090	50,748	51,052	51,122
2004	49,828	50,401	50,282	50,020	50,092	49,823	50,927	50,369	49,622	49,841	49,987	49,599
2003	48,420	48,630	48,870	48,570	48,210	48,100	48,440	48,220	47,710	48,000	48,670	48,880
2002	49,030	49,990	50,150	50,080	49,870	49,280	49,390	48,840	48,360	48,490	48,990	49,100

Labor Force Analysis

Labor Force Estimates by District

Over a five year period, the Virgin Islands unemployment rates have been lowered based on economic activity occurring with private and government capital projects. Current employment statistics have reflected increases in establishment's payrolls and growth in the number of employed. The unemployment rates peaked at 9.4% and has declined to 6.1% at the end of 2006.

Virgin Islands Average Annual Labor Force Esitmates

	Labor Force	Employment	Unemployment	Ratio
2006	52,137	48,945	3,192	6.1%
2005	51,158	47,553	3,606	7.1%
2004	50,066	46,101	3,965	7.9%
2003	48,370	43,840	4,530	9.4%
2002	49,300	44,980	4,320	8.8%

St. Croix Labor Force Esitmates

	Labor Force	Employment	Unemployment	Ratio
2006	22,574	20,915	1,658	7.3%
2005	22,267	20,448	1,819	8.2%
2004	20,401	18,440	1,961	9.6%
2003	20,040	17,540	2,500	12.5%
2002	20,320	17,990	2,330	11.5%

St.Thomas/St. John Labor Force Esitmates

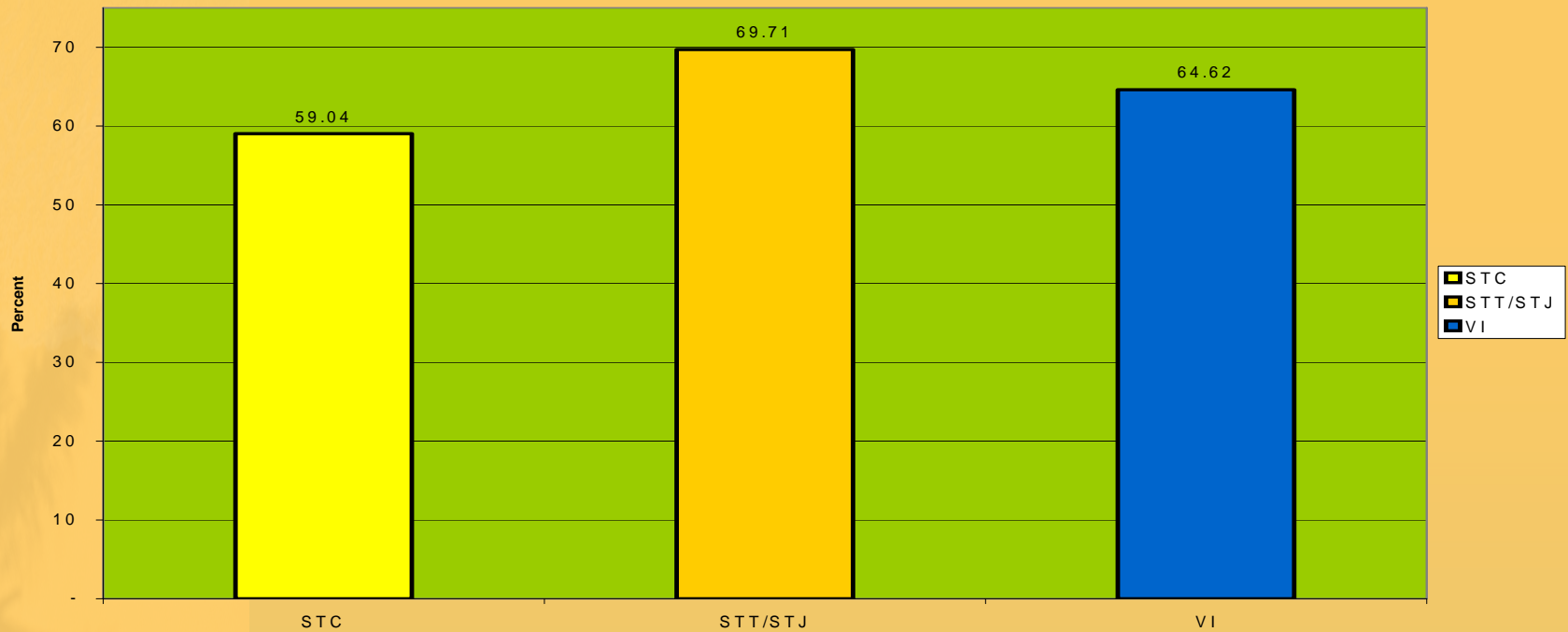
	Labor Force	Employment	Unemployment	Ratio
2006	29,258	27,725	1,534	5.2%
2005	28,891	27,105	1,786	6.2%
2004	29,665	27,661	2,004	6.8%
2003	28,330	26,300	2,030	7.2%
2002	28,980	26,990	1,990	6.7%

Labor Force Analysis

Labor Force Participation Rate

The labor participation rate is the number of people in the labor force divided by the total population in the Virgin Islands (from US Census 2002) ages 16 and over. During 2006, 65% of the population age 16 and over were a part of the Territory's workforce.

2006 Labor Force Participation Rates

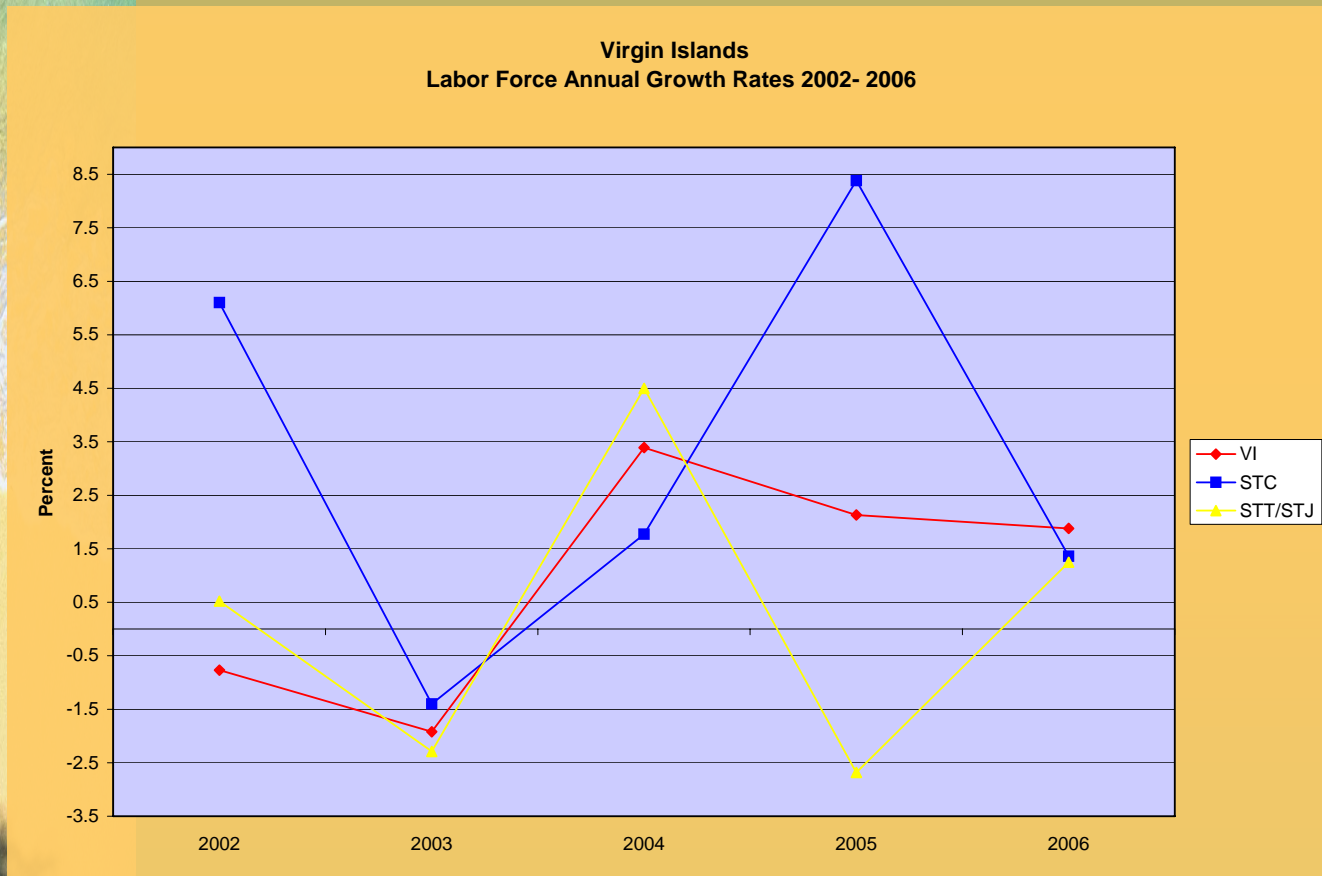


Labor Force Analysis

Labor Force Annual Growth Rate

The labor force annual growth rate chart shows the year to year percentage change in the labor force over a five year period. If the lines are above zero, the market is growing, if the line goes below zero the labor force is shrinking.

The chart below reflects a five year trend of sporadic shifts in the rate. These movements are reflected in the current employment statistics survey results.



Industry Review

The industry review contains data compiled through the QCEW (Quarter Census of Employment Wages), which entails surveying Virgin Islands establishments, and categorizing these entities according to the NAICS (North American Industrial Classification System) taxonomy. This section provides information on employment by industry, average annual pay, and growth rates of establishments.

The Virgin Islands industrial landscape over the past period has seen increases in the economic activity with additional establishments coming online. This rate peaked at 9.18% in the prior period 2005 and tapered to 7.39% growth in 2006. The majority of this growth was attributed to overall sector growth with the majority noticed in the construction and retail industries.

A direct result of the growth in the number of establishments was noticed in the payrolls, annual average wages, hours worked, and commissions paid to employees. The growth rate of average wages also moved down to 7.39% representing a 0.58 move from the 2005 high of 7.97%.

Based on the ramp down in many of the major projects occurring within the construction industry, employment and establishment rates are expected to level off at a modest growth rate in 2007.

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Industry Review

Average Gross Pay by Industry table represents the gross pay by Industry (as classified by the North American Industry Classification) nomenclature for 2006.

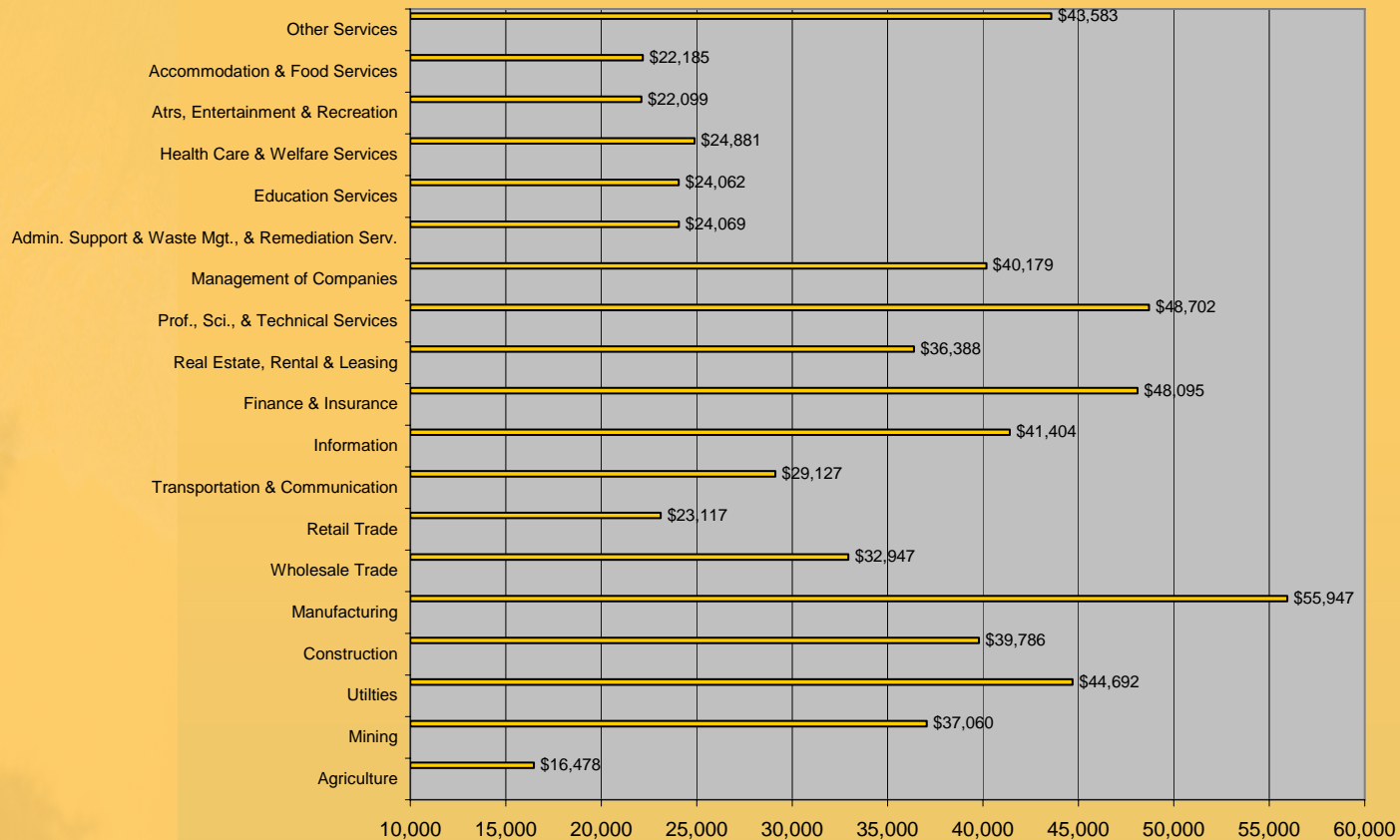
Virgin Islands Average Gross Pay by Industry 2006

District				St. Croix	St. John	St. Thomas
Total District				38,356	29,532	33,463
Total Private Sector				36,829	28,844	29,103
Agriculture				16,209	0	19,705
Mining				37,060	0	0
Utilities				56,518	0	43,354
Construction				42,264	39,013	35,707
Manufacturing				60,234	20,848	36,973
Wholesale Trade				31,244	33,599	33,996
Retail Trade				21,033	25,096	23,816
Transportation & Communication				29,096	22,774	30,402
Information				38,246	12,000	43,220
Finance & Insurance				46,879	31,531	49,206
Real Estate, Rental & Leasing				27,644	48,751	38,881
Prof., Sci., & Technical Services				49,406	42,065	48,818
Management of Companies				46,355	0	39,018
Admin. Support & Waste Mgt., & Remediation Serv.				25,440	25,360	23,077
Education Services				23,506	25,315	24,563
Health Care & Welfare Services				25,076	35,145	24,033
Atrs, Entertainment & Recreation				20,388	18,987	23,722
Accommodation & Food Services				17,677	26,342	22,564
Other Services				48,567	30,642	26,030
Total Public Sector				42,106	49,515	44,218
TERRITORIAL				40,684	0	42,491
FEDERAL				62,371	49,515	73,478

Industry Review

The chart below presents the average annual salary for each industry classified by the NAICS (North American Industry Classification System). Source: Quarterly Census of Employment and Wages 2006 (Provided through VIDOL Bureau of Labor Statistics).

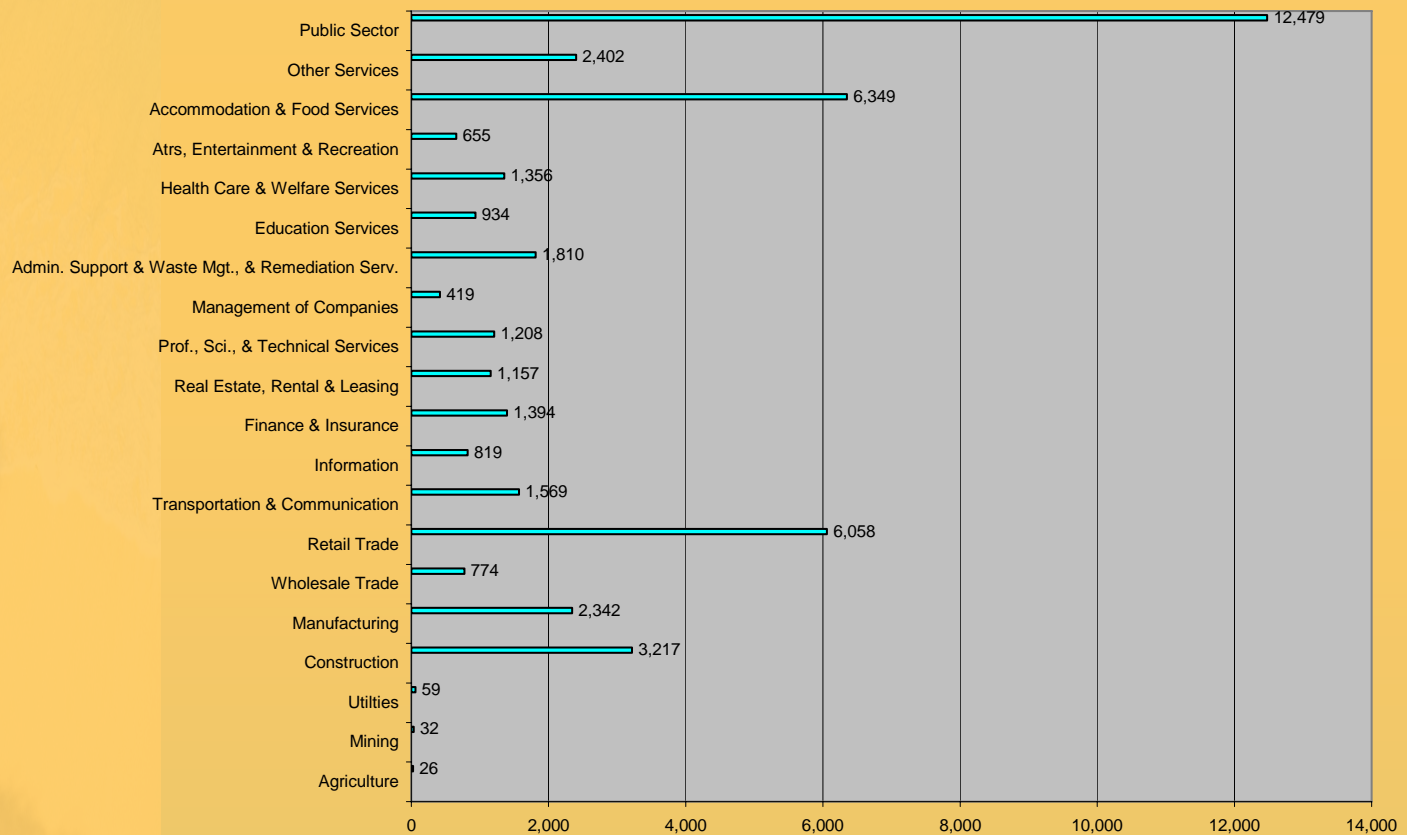
2006 Virgin Islands Average Annual Pay by Industry



Industry Review

In 2006, the public sector, construction, accommodation, and retail industries represented the highest percentage of employment in the Virgin Islands. This large percentage of the workforce are employed in the government, hospitality, and the many retail shops and restaurants which are mainstays of the economy.

2006 Virgin Islands Average Employment by Industry



Industry Review

Based on data collected, the average gross pay in the Territory is \$35k. During the 2006 cycle gross wages increased primarily due to establishment growth, increase in average hours worked, government wage increases, and minor moves in the smaller sectors of the economy. The sectors that also contributed were mining, real estate, and management companies.

2006 Average Gross Pay and Employment by Industry

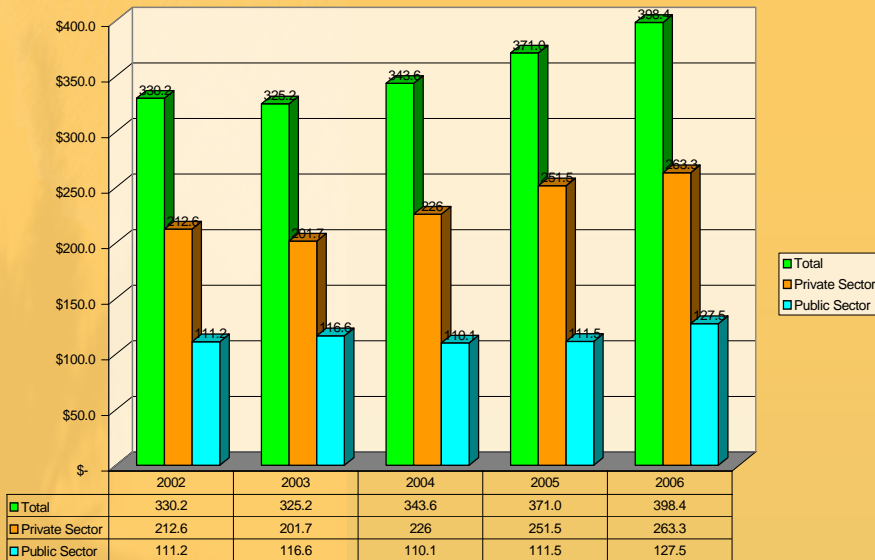
INDUSTRY	Avg Gross Pay	Avg Employment
Total Virgin Islands	\$35,366	45,068
Total Private Sector	\$32,325	32,589
Agriculture	\$16,478	26
Mining	\$37,060	32
Utilities	\$44,692	59
Construction	\$39,786	3,217
Manufacturing	\$55,947	2,342
Wholesale Trade	\$32,947	774
Retail Trade	\$23,117	6,058
Transportation & Communication	\$29,127	1,569
Information	\$41,404	819
Finance & Insurance	\$48,095	1,394
Real Estate, Rental & Leasing	\$36,388	1,157
Prof., Sci., & Technical Services	\$48,702	1,208
Management of Companies	\$40,179	419
Admin. Support & Waste Mgt., & Remediation Serv.	\$24,069	1,810
Education Services	\$24,062	934
Health Care & Welfare Services	\$24,881	1,356
Atrs, Entertainment & Recreation	\$22,099	655
Accommodation & Food Services	\$22,185	6,349
Other Services	\$43,583	2,402
Public Sector	\$43,308	12,479

*Source: (QCEW) Quarterly Covered Employment & Wages Program
Using the NAICS (North American Industry Classification System)*

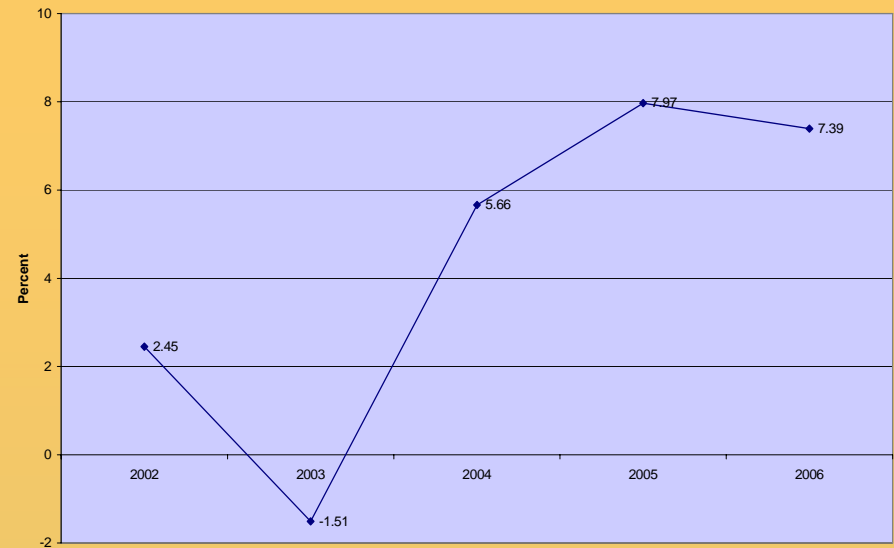
Industry Review

The Virgin Islands aggregate average wages paid by private and public sector industries over a five year period has reflected positive growth as seen in the charts below. This fluctuation represents job gains from expanding establishments, new hires, cost of living adjustments, increased commissions, and salary increases.

Virgin Islands 5 year Trend of Total Average Wages by Sector (in millions)



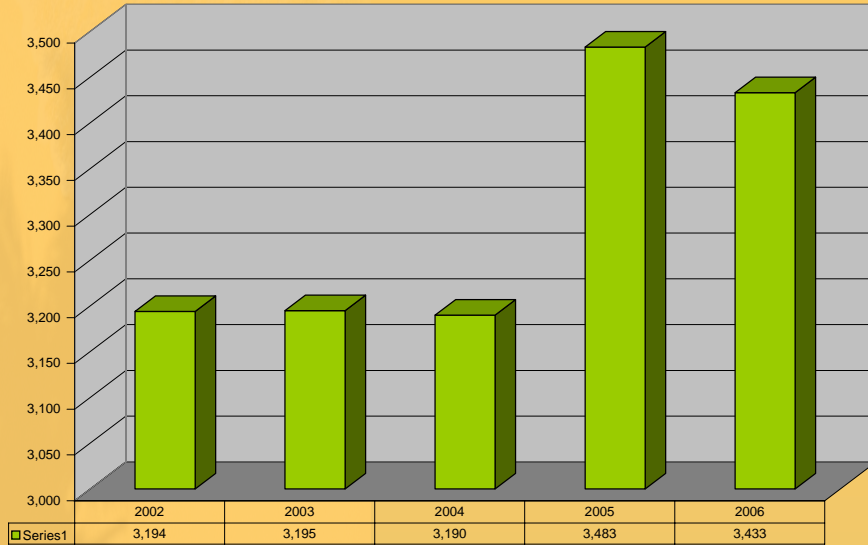
Average Wages Growth Rate 2002 -2006



Industry Review

Establishment growth in the Virgin Islands made a significant move upward as seen on the chart below. This sudden peak is also due in part to major projects in the construction industry in commercial, public, and residential ventures. In addition, the retail, accommodation and food services, professional and technical services, and other services contributed to the overall gains. This growth peaked in the 2005 cycle but has slightly decreased by 50 establishments in 2006.

Virgin Islands Average Number of Establishments 5yr Trend



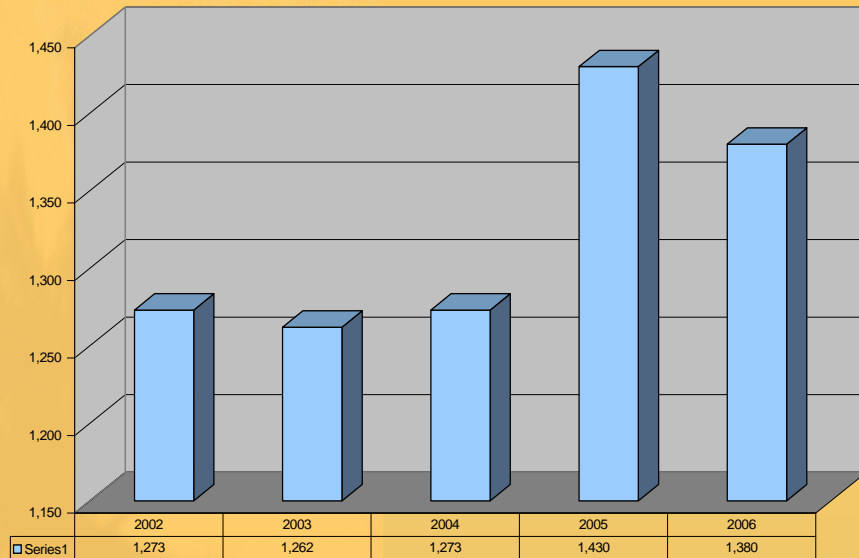
Virgin Islands Establishments 5yr Growth Rates 2002 - 2006



Industry Review

In disaggregating the establishment data sets, the district of St. Croix represented the highest growth rate specifically in major projects related to the refinery, government capital projects, commercial and residential construction projects, and gains in commercial repair and maintenance. Minor growth in accommodations and food services were also noted.

St.Croix Establishments Average Population Trend 2002-2006



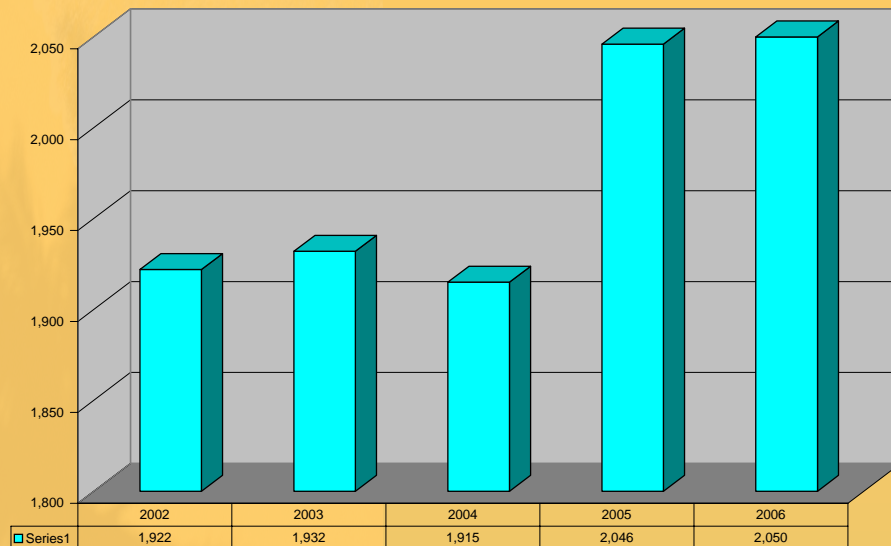
St. Croix Establishments 5yr Growth Rates 2002 - 2006



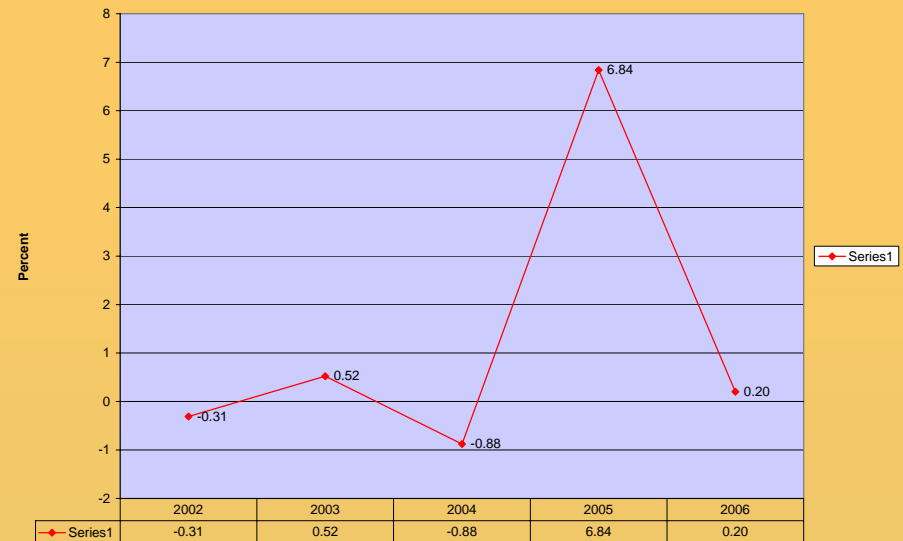
Industry Review

In the St. Thomas/St. John district the growth rate has leveled off from the prior period (2005). The industries that have contributed to the sustained level are construction and retail trade, directly related to ongoing construction projects of a marine facility, expansion of the accommodation sector, and other commercial projects. In addition, there were small gains in the administrative and support services sectors.

St. Thomas/St. John Establishments Average Population Trend 2002-2006



St. Thomas/St. John Establishments 5yr Growth Rates 2002 - 2006



Occupational Review

The occupational review contains data compiled from the OES (Occupational Employment Survey), which conducts a sample survey of Virgin Islands establishments and classifies workers into one of over 820 occupations according to their occupational definition. In facilitating classification, occupations are combined to form 23 major groups, 96 minor groups, and 449 broad occupations. Each broad occupation includes detailed occupation (s) requiring similar job duties, skills, education, or experience.

During 2006, construction and extraction occupations experienced a 25% increase from the prior period. This increase has also been seen in the growth of the construction industry. Occupations in this industry that have contributed to the change are construction laborers, carpenters, electricians, and brick masons. On the other end, the arts, design, entertainment, sports, media occupations, and the protective services occupations saw declines in employment comparison to the prior period. However, in relation to total employment these two declining occupational groups represent a smaller population.

In 2006, the average hourly wages increased in all major occupations based on cost of living increases, and the effect of changes in minimum wages. Occupational titles that experienced the most change was under the personal care and services which include childcare workers, baggage porters and bellhops, and tour guides. The computer and mathematical occupations have also reflected positive percent changes up 10.4% from the 2005 base year.

Average employment by occupation.....21

Average hourly wage by occupation.....22

Occupational Review

Occupations in the Virgin Islands during the period 2006 saw increases in line with the growth of the Territories establishments. The chart below details the average employment for the top five major occupational groups for 2006 as per the SOC (Standard Occupational Coding).

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	May-05	May-06		
Major Occupational Titles (As per SOC taxonomy)	Employment	Employment	Variance	Percent Change
Management occupations	1970	1920	(50.00)	-2.5%
Business and financial operations occupations	1240	1520	280.00	22.6%
Computer and mathematical occupations	330	340	10.00	3.0%
Life, physical, and social science occupations	280	250	(30.00)	-10.7%
Community and social services occupations	450	410	(40.00)	-8.9%
Legal occupations	490	490	-	0.0%
Education, training, and library occupations	3230	3170	(60.00)	-1.9%
Arts, design, entertainment, sports, and media occupations	330	280	(50.00)	-15.2%
Healthcare practitioners and technical occupations	1140	1210	70.00	6.1%
Healthcare support occupations	360	350	(10.00)	-2.8%
Protective service occupations	2790	2520	(270.00)	-9.7%
Food preparation and serving related occupations	4050	4100	50.00	1.2%
Building and grounds cleaning and maintenance occupations	2760	2840	80.00	2.9%
Personal care and service occupations	950	1100	150.00	15.8%
Sales and related occupations	4580	4700	120.00	2.6%
Office and administrative support occupations	8330	8180	(150.00)	-1.8%
Construction and extraction occupations	2660	3320	660.00	24.8%
Installation, maintenance, and repair occupations	2150	2490	340.00	15.8%
Production occupations	2160	2120	(40.00)	-1.9%
Transportation and material moving occupations	2570	2530	(40.00)	-1.6%

Occupational Review

The chart below details the average hourly wages paid for major occupational titles during 2005 and 2006. The top five occupations with the highest percent change are labeled.

Major Occupational Titles (<i>As per SOC taxonomy</i>)	May-05 Average Hourly Wage	May-06 Average Hourly Wage	Variance	Percent Change
Management occupations	31.93	33.45	1.52	4.8%
Business and financial operations occupations	20.19	21.44	1.25	6.2%
Computer and mathematical occupations	20.29	22.40	2.11	10.4%
Life, physical, and social science occupations	20.06	21.92	1.86	9.3%
Community and social services occupations	15.72	16.24	0.52	3.3%
Legal occupations	30.58	33.10	2.52	8.2%
Education, training, and library occupations	17.23	18.98	1.75	10.2%
Arts, design, entertainment, sports, and media occupations	14.51	15.58	1.07	7.4%
Healthcare practitioners and technical occupations	21.69	22.91	1.22	5.6%
Healthcare support occupations	9.01	9.38	0.37	4.1%
Protective service occupations	12.87	13.71	0.84	6.5%
Food preparation and serving related occupations	8.33	8.97	0.64	7.7%
Building and grounds cleaning and maintenance occupations	8.55	9.35	0.80	9.4%
Personal care and service occupations	8.20	9.24	1.04	12.7%
Sales and related occupations	10.66	11.31	0.65	6.1%
Office and administrative support occupations	11.44	12.05	0.61	5.3%
Construction and extraction occupations	15.85	16.79	0.94	5.9%
Installation, maintenance, and repair occupations	14.44	15.58	1.14	7.9%
Production occupations	16.41	17.28	0.87	5.3%
Transportation and material moving occupations	10.90	11.46	0.56	5.1%

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