

# “Fostering an Innovative Economy”

## The US Virgin Islands Economic Trends and Conditions

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October 10, 2019

University of the Virgin Islands  
Research & Technology Park  
Business Attraction Summit, 2019

# Presentation Outline

USVI Indicator Dashboard

Population Trends

Recent Economic Performance

- Gross Domestic Product (GDP)

- Employment

- Income and Earnings

- Tourism

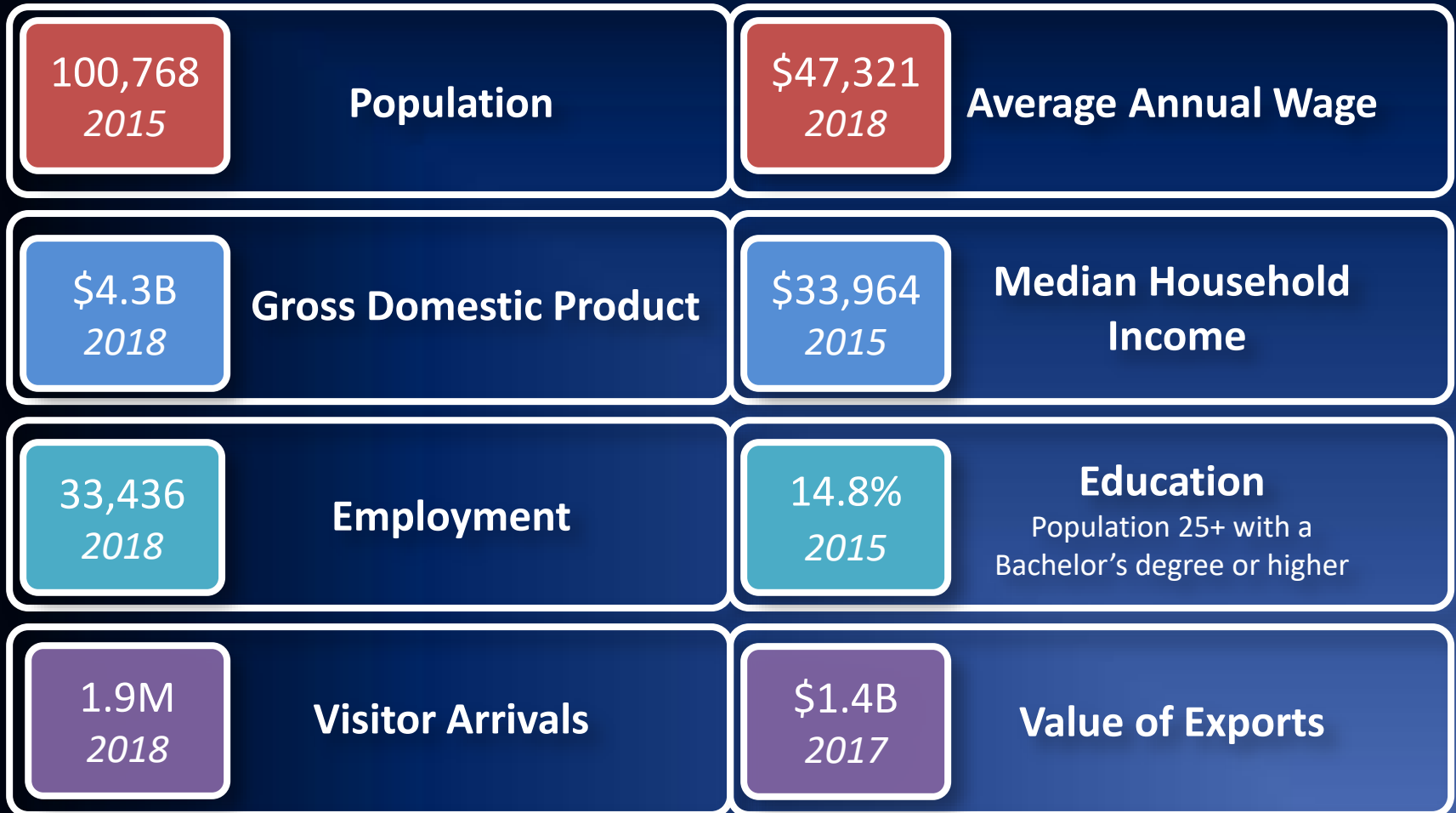
Industry Clusters

- Location Quotients and Competitive Advantage

Target Industries

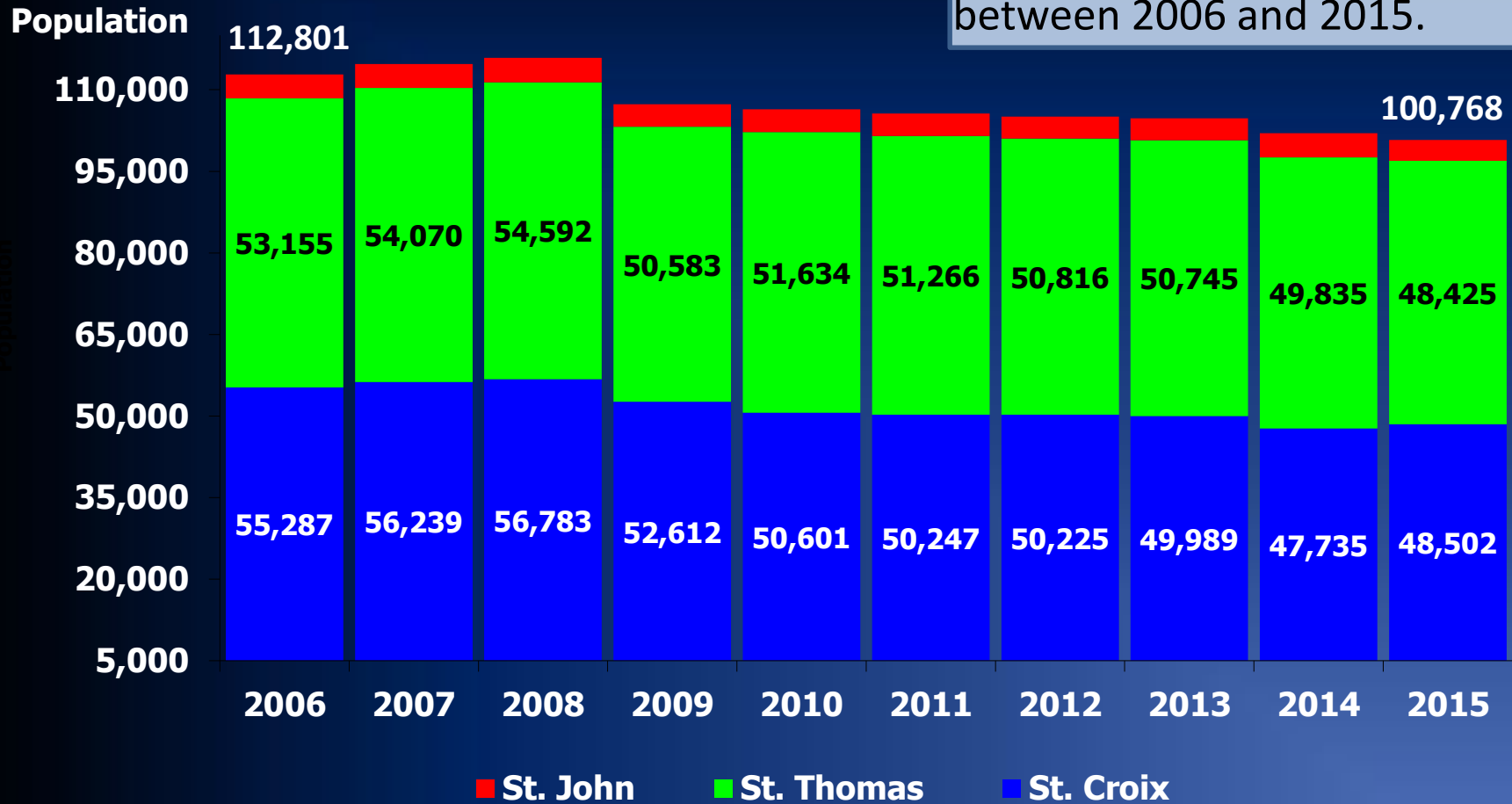
Summary and Conclusions

# USVI Economic Indicator Dashboard



# USVI Population Trends

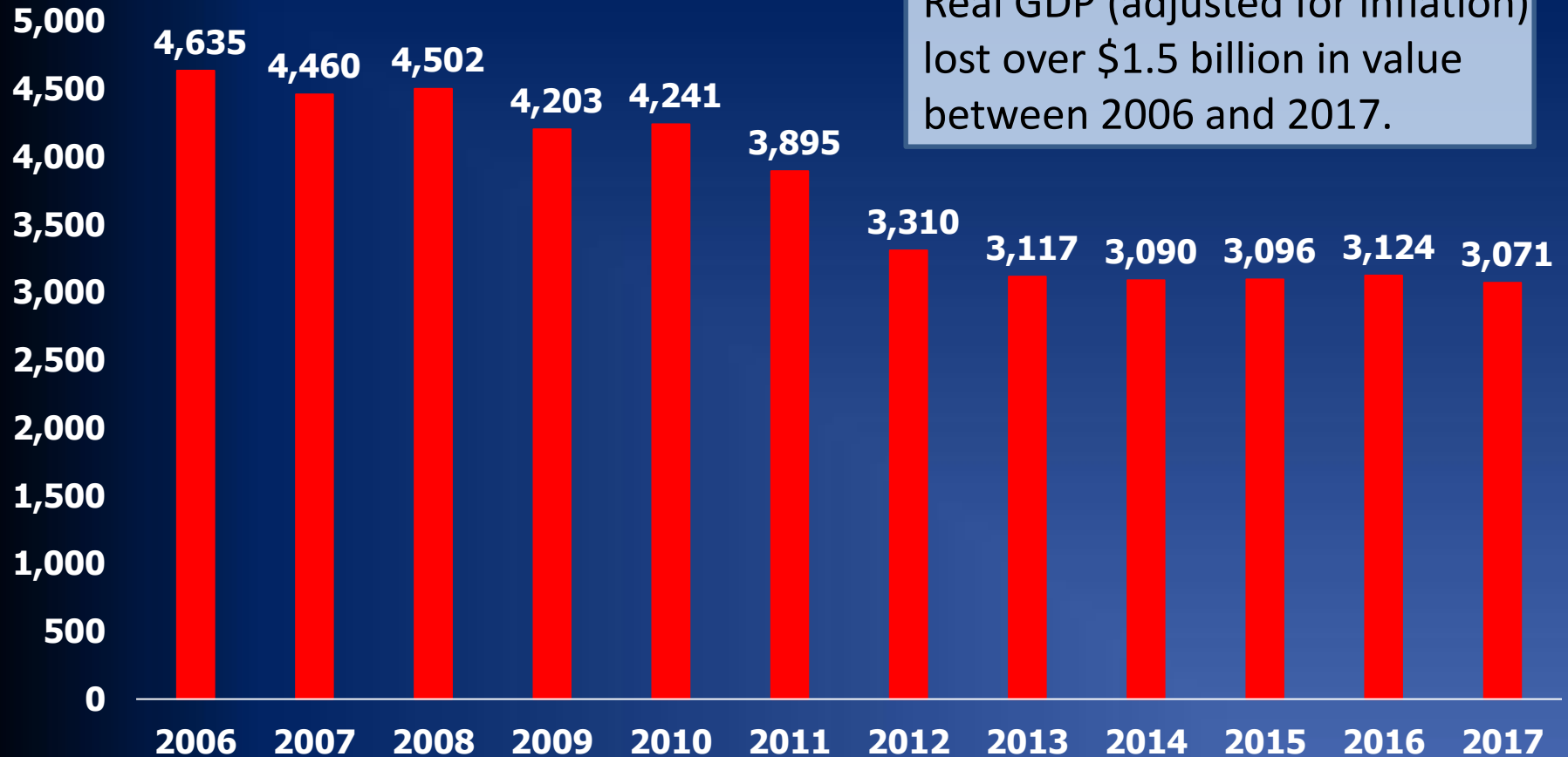
The USVI lost more than 10,000 residents (10% of its population) between 2006 and 2015.



Source: UVI, Eastern Caribbean Center (ECC)

# USVI Real Gross Domestic Product

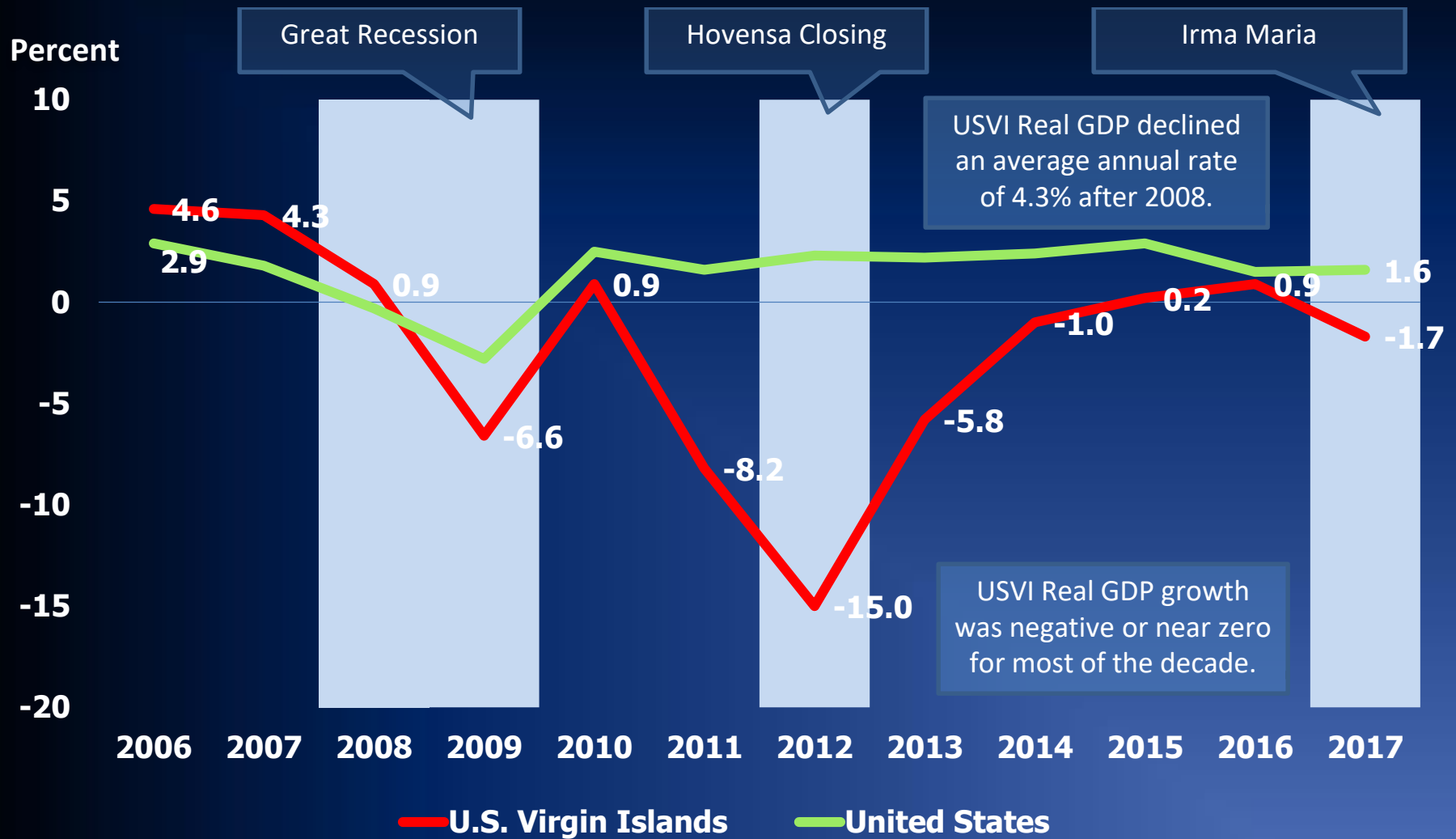
GDP (millions of dollars)



Real GDP (adjusted for inflation) lost over \$1.5 billion in value between 2006 and 2017.

Source: US Department of Commerce, Bureau of Economic Analysis  
Note: Values are millions of chained 2009 dollars

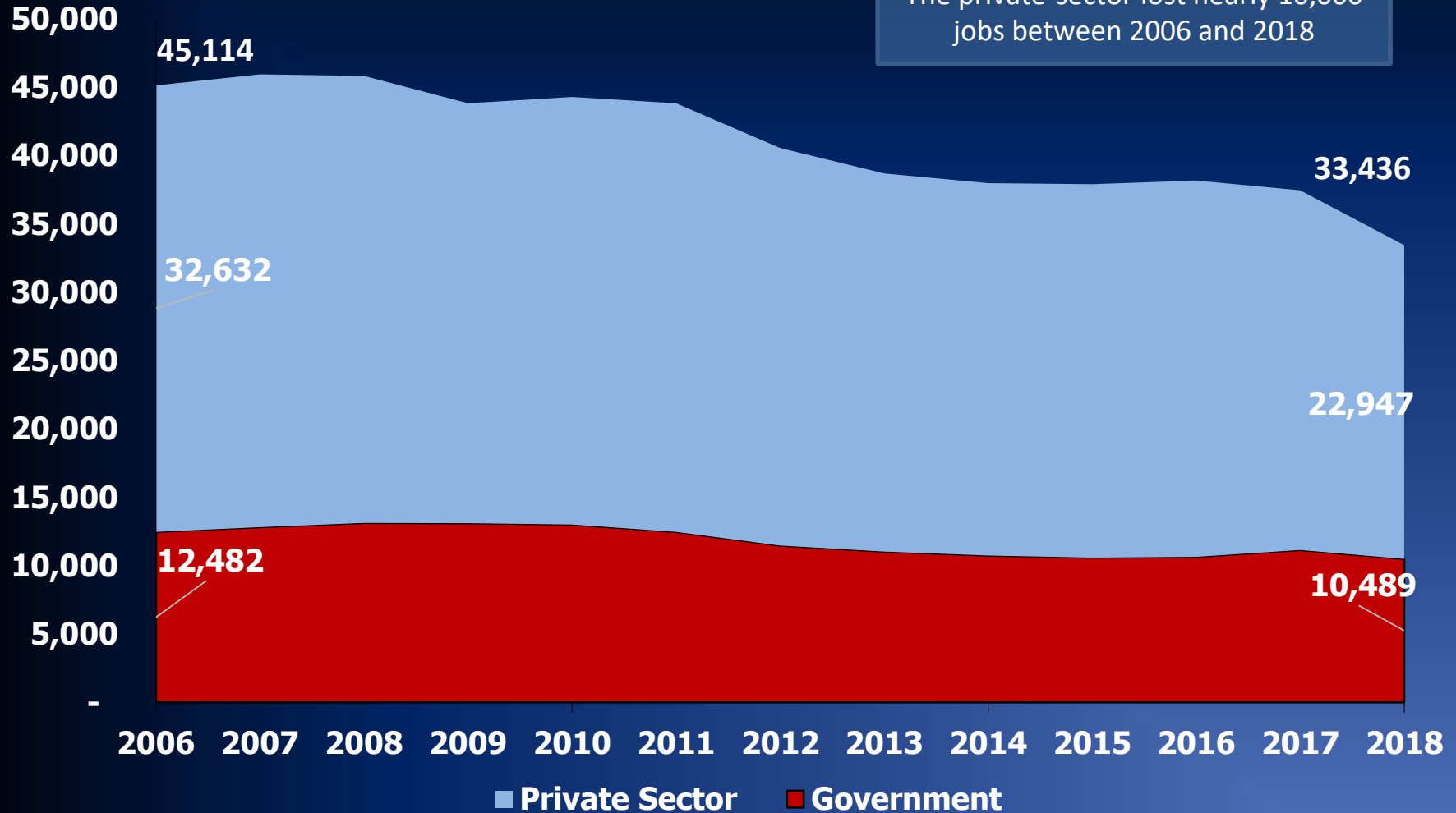
# Real GDP: Yearly Change



Source: US Department of Commerce, Bureau of Economic Analysis  
 Note: Values are percent change using millions of chained 2009 dollars

# USVI Employment

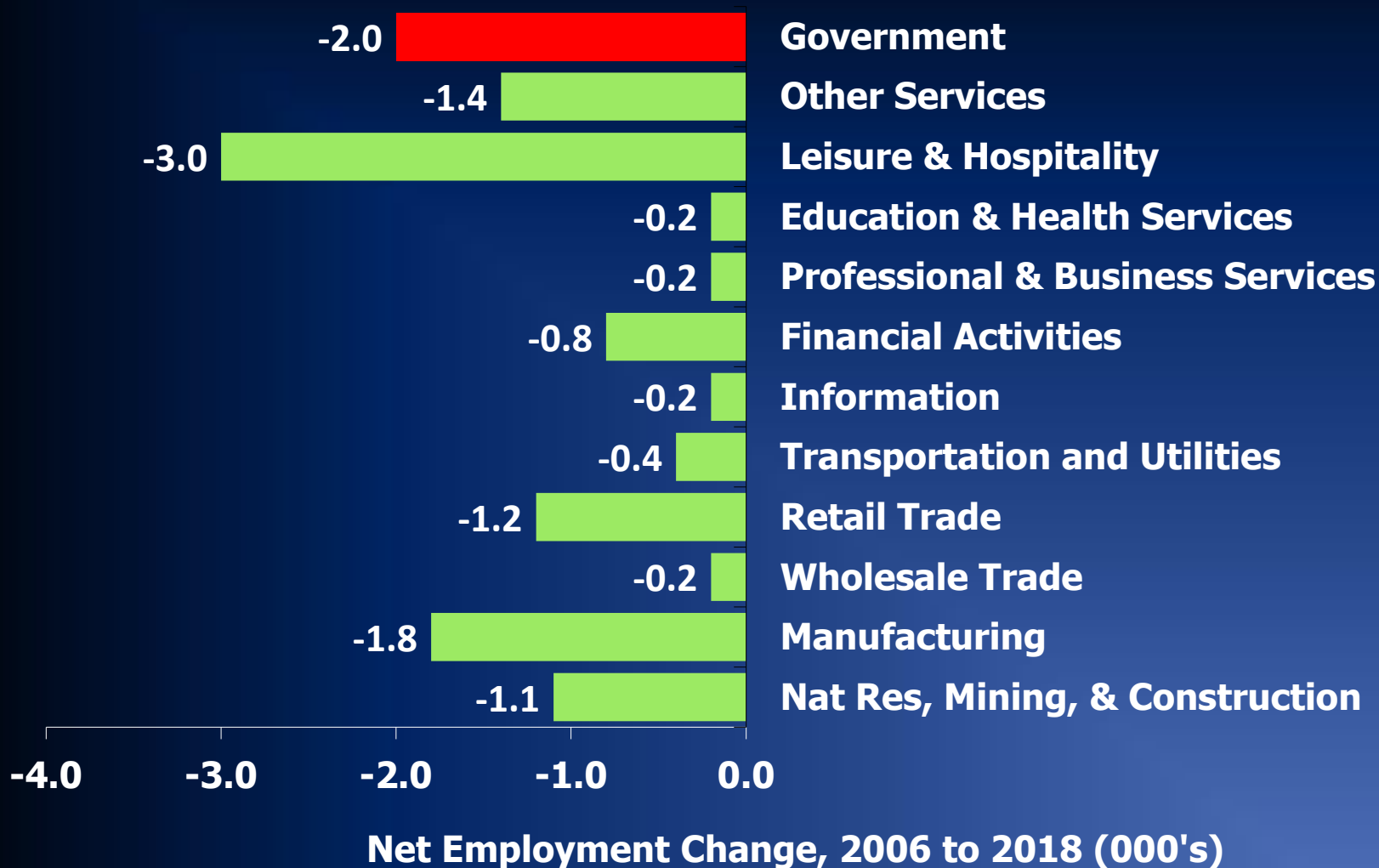
Number of Jobs



The private-sector lost nearly 10,000 jobs between 2006 and 2018

Source: USVI Department of Labor

# USVI Nonagricultural Wage and Salary Employment by Industry

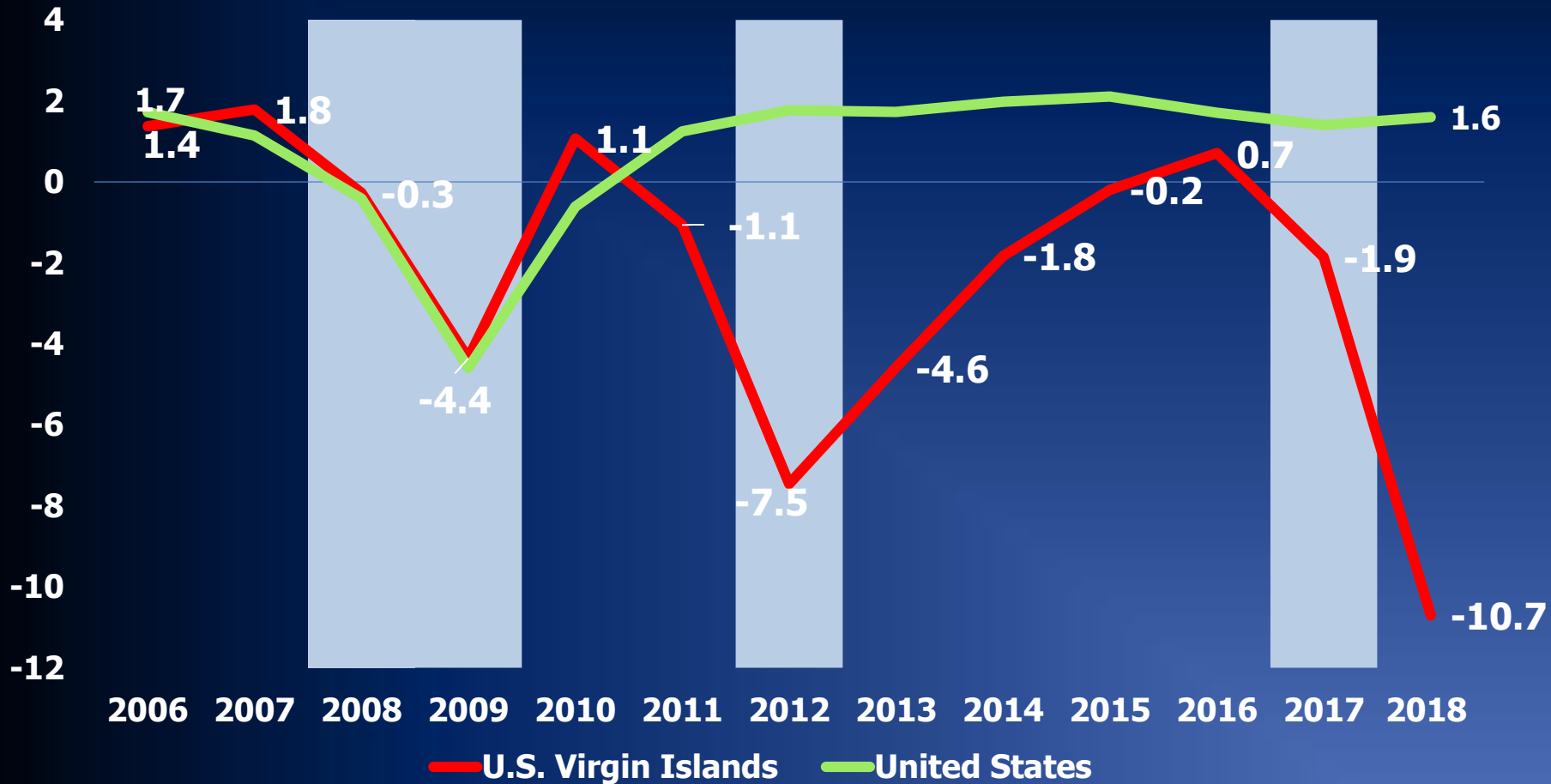


Source: USVI Department of Labor



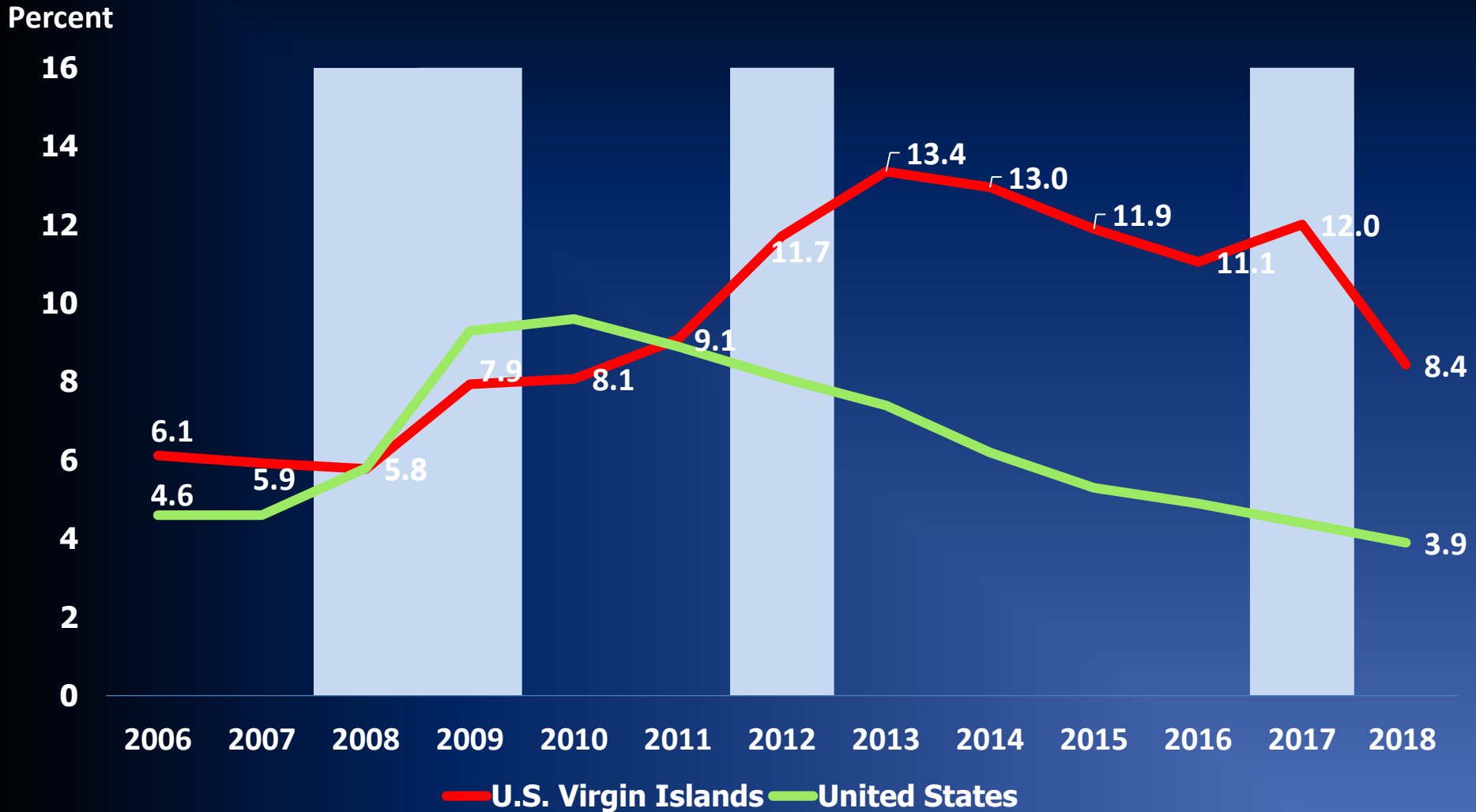
# Employment Growth Rates

Percent



Source: USVI Department of Labor; US Department of Labor

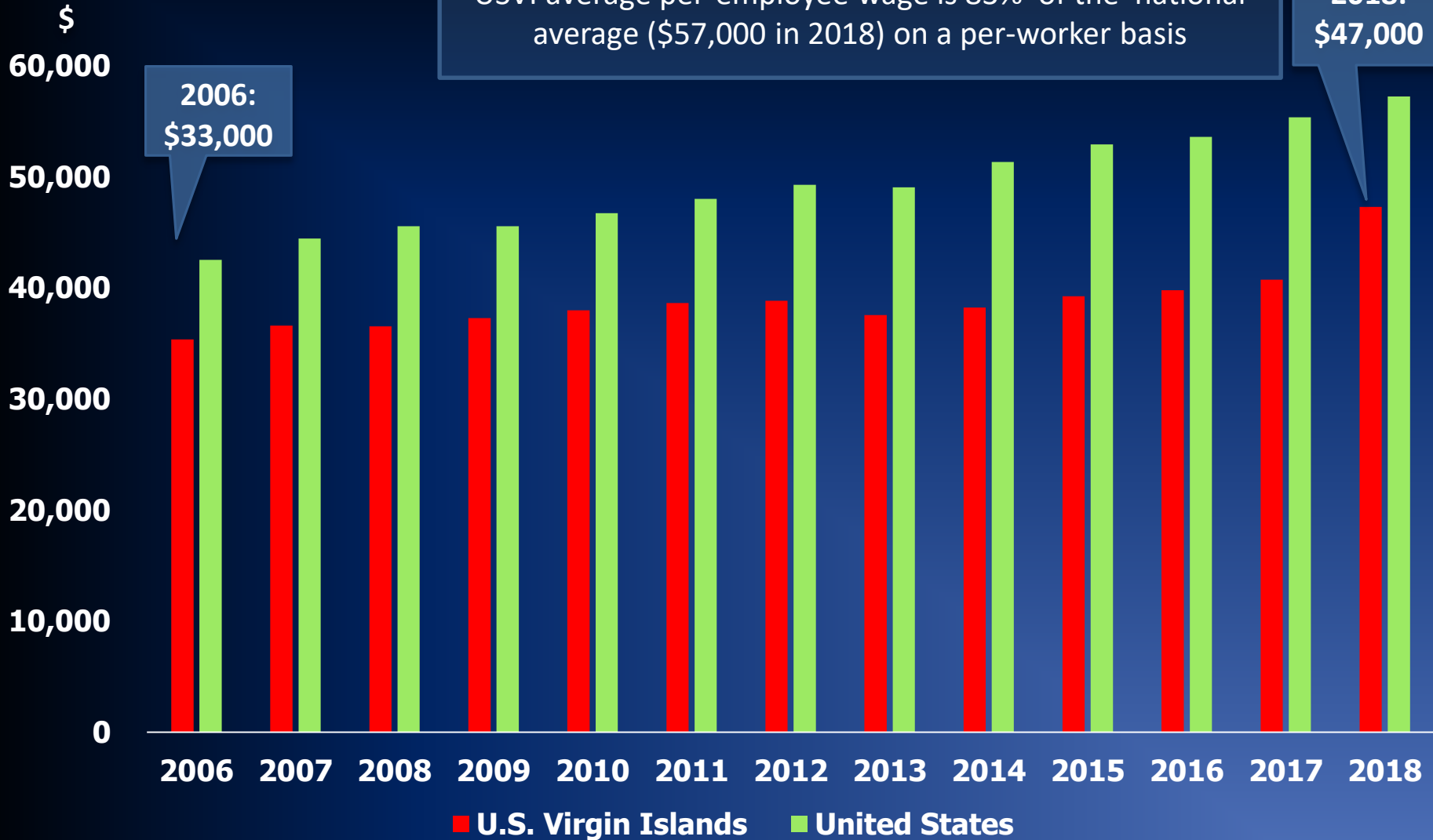
# Unemployment Rates



Source: USVI Department of Labor; US Department of Labor

# Average Earnings

USVI average per-employee wage is 83% of the national average (\$57,000 in 2018) on a per-worker basis



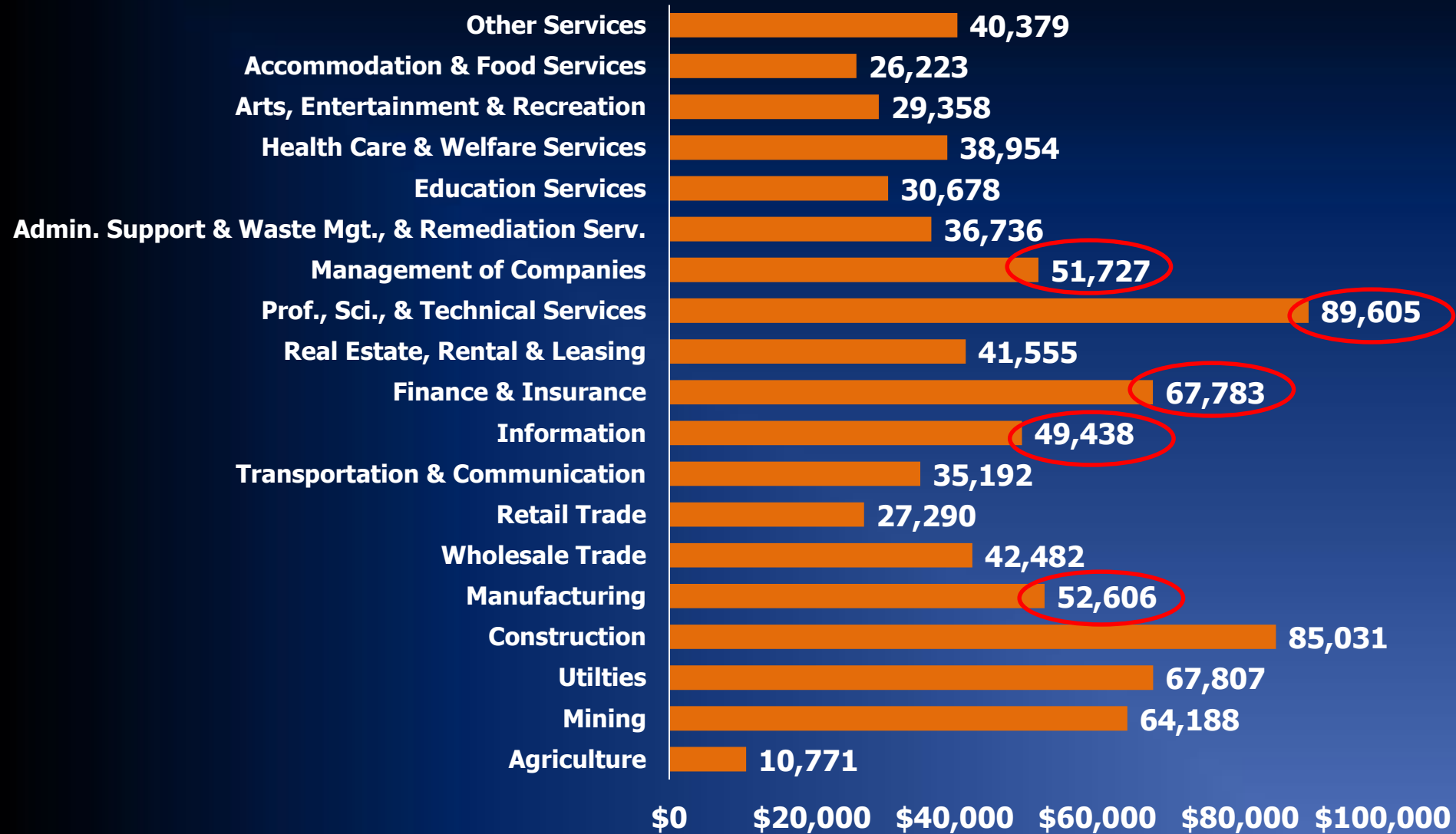
Source: US Bureau of Labor Statistics; USVI Bureau of Labor Statistics

# Change in Average Annual Earnings



Source: USVI Department of Labor; US Department of Labor

# USVI Industry Average Earnings, 2018



Source: USVI Department of Labor

# USVI Visitor Arrivals

Arrivals (000)

Arrivals down 600,000 between 2006 and 2018

3,000

2.6 million

2,500

2,000

1.9 million

1,500

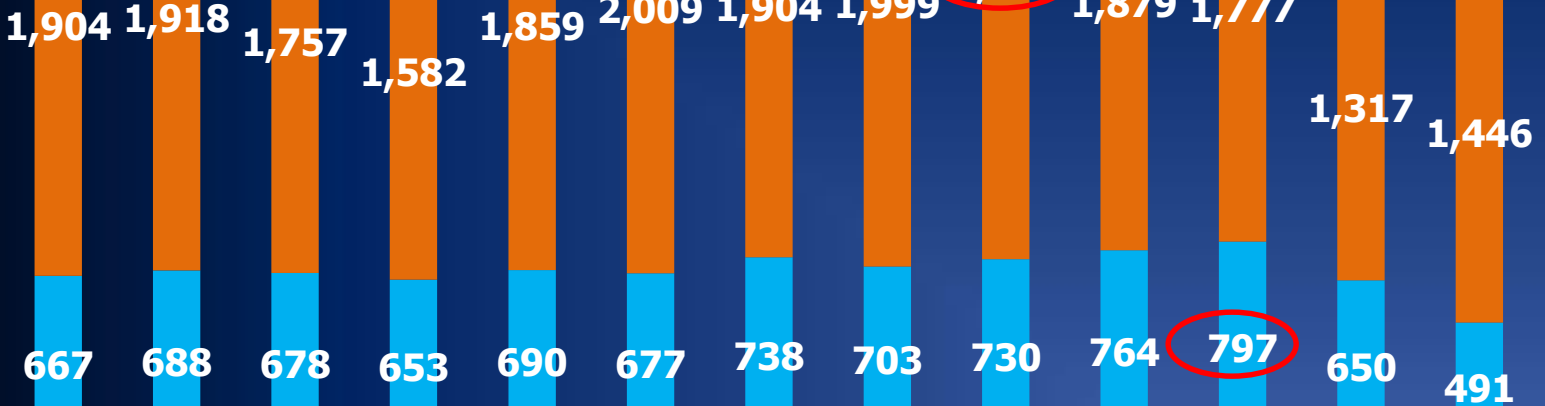
1,000

500

0

2006 2007 2008 2009 2010 2011 2012 2013 2014 2015 2016 2017 2018

Air Cruise



Source: USVI Bureau of Economic Research

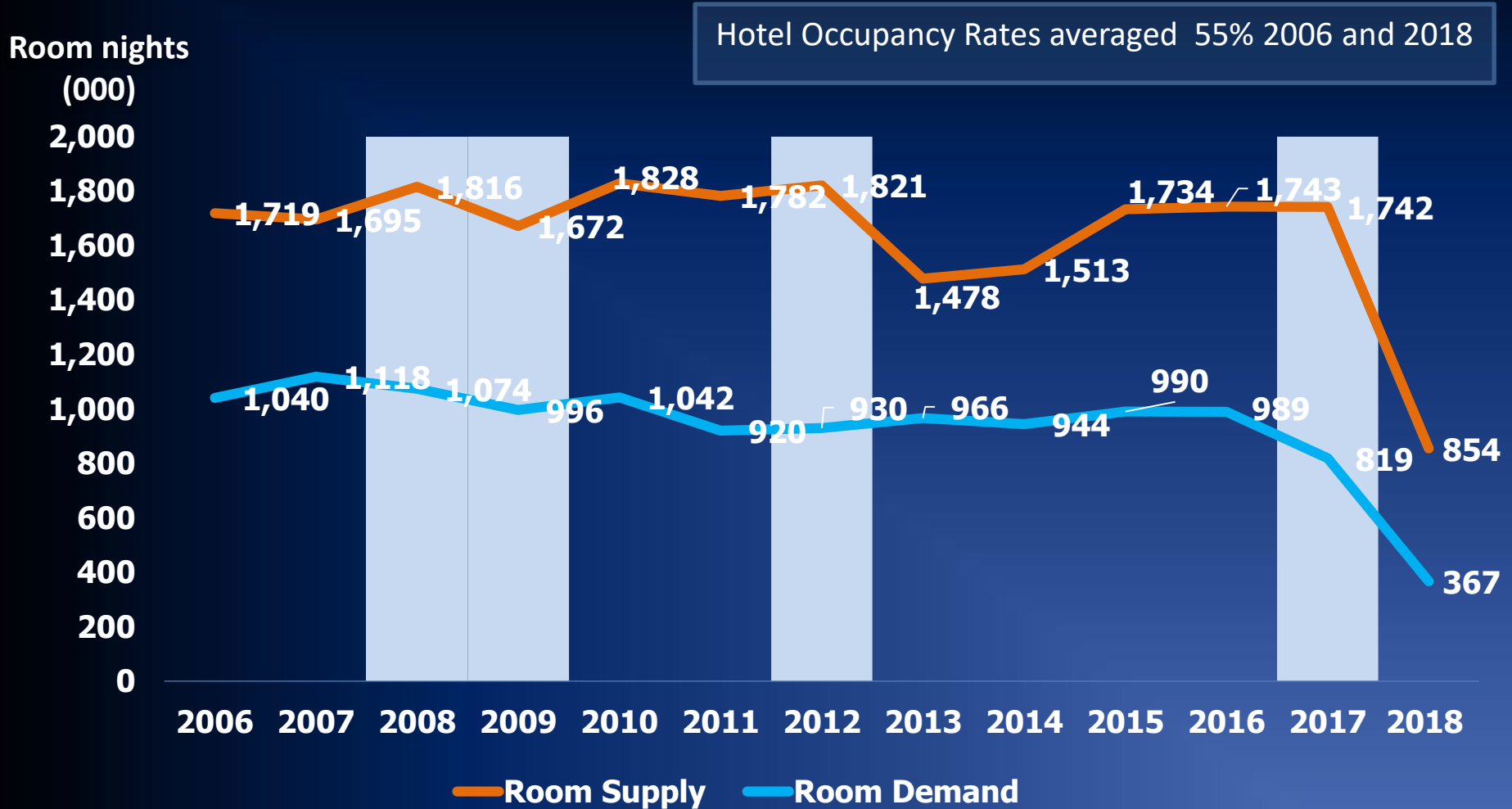
# USVI Visitor Expenditures

Visitor expenditures dropped nearly 30% between 2006 and 2018



Source: USVI Bureau of Economic Research

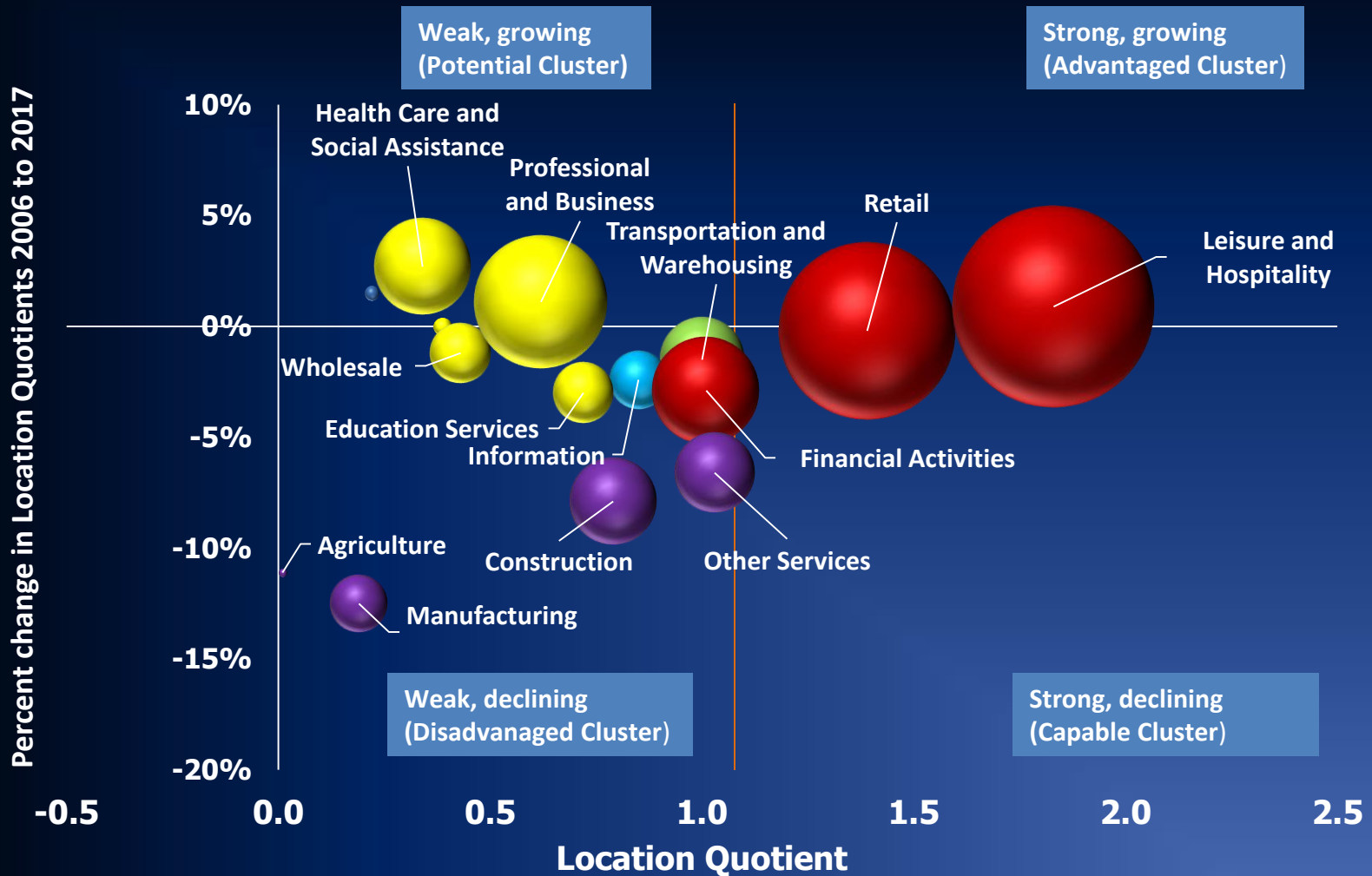
# USVI Hotel Room Supply and Demand



Source: USVI Bureau of Economic Research



# USVI Industry Clusters



Tourism cluster dominates the USVI job base, with related activities accounting for 8,225 jobs in 2017, about 22% of total employment.

Source: Author's calculation and rendition

# Industry Targets

## Targeted Competitive Industry Study Recommendations:

- Financial Services
- Business Process Outsourcing
- High-value Manufacturing
- Transportation & Logistics
- Information Technology
- Agribusiness
- Tourism

Source: TIP Strategies

# Summary and Conclusions

- The USVI is facing mounting challenges, and there is a need for new and innovative approaches to respond to the economic problems and to make the economy more resilient to economic shocks.
- The USVI could diversify its tourism-based economy into other growth-generating sectors by developing a technology, innovation, and entrepreneurship industry cluster.
- Target industries include information technology, financial services, and manufacturing that provide higher wages and employment opportunities and which hold potential for economic growth.