

Virgin Islanders Require Higher Wages to Meet Basic Needs, Bureau of Economic Research Study Finds

Study Highlights Wage Gap: Unveiling the true cost of living in the U.S. Virgin Islands

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The 2022 Living Wage Study by the U.S. Virgin Islands Bureau of Economic Research has uncovered the substantial income necessary for Virgin Islanders to meet their basic needs without external assistance.

According to the study, a single adult requires a minimum of \$13.70 per hour (\$28,496 annually) with benefits, or \$21.31 per hour (\$44,325) without benefits and subsidies. In households with a child, the required income rises to \$20.95 per hour with benefits or \$33.38 without. For two adults, the combined necessary wage is \$20.50 per hour with benefits and \$31.94 without. Larger families, comprising three to four people, need a combined wage between \$30.35 to \$40.27 per

hour with benefits, or \$44.85 to \$56.98 without benefits and subsidies.

This study challenges the traditional Federal Poverty Line (FPL) measure, which is based solely on the cost of food and neglects other essential expenses such as childcare, healthcare, and geographic differences in living costs. The living wage model employed by the study incorporates real costs for necessities, including housing, food, transportation, health care, and personal care items, while calculating a no-frills budget that excludes savings, debt costs, and emergency expenditures.

This model is both geographically and family composition specific, offering a more accurate portrayal of the financial needs of families in the U.S. Virgin Islands.

For more comprehensive insights and details, the full report can be accessed at the Bureau's website, www.usviber.org. The study highlights the gap between the Federal Poverty Line and the actual cost of living, emphasizing the need for higher wages to ensure self-sufficiency for families in the U.S. Virgin Islands.

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