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Survey Reveals Strategies to Strengthen USVI's Shrinking Labor Force

Economic shocks from hurricanes, refinery closure, and pandemic cited as major factors in labor force decline

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A recently concluded [labor force survey](#) of the U.S. Virgin Islands has revealed several opportunities to strengthen and grow the territory's shrinking labor pool.

A myriad of economic shocks caused by the 2017 hurricanes, the closure of the Limetree Bay refinery, and the Covid-19 pandemic have shrunk the territory's population, and consequently, the number of people available to work. The current unemployment rate currently stands at approximately 3.2 percent.

The results and insights from the survey were presented to the Committee of Education and Workforce Development by Collin Perciballi, a consultant with Lightcast, a company specializing in labor market analytics. He told lawmakers that despite “a scarcity of workers competing for more job opportunities...we came up with ways forward to address these new challenges.”

Chief among them was aligning career and technical education with cross-cutting skills. According to Mr. Perciballi, training a workforce that has the “flexibility to fill multiple different roles” will bode well for labor market efficiency. A second recommendation was ensuring foundational and soft skills including computer literacy at the K-12 level and in adult education programs. Lightcast’s survey also encouraged addressing “enrollment decline” in schools, a natural result of a declining population. Their recommendation includes offering scholarships to Virgin Islander families who have moved to the mainland or other countries.

A major hindrance to people returning to the territory, Lightcast noted, was the high cost of living. The company believes that tackling hefty energy costs is a surefire way to quickly reduce the cost of living. “It’s no secret that energy is very expensive, and it’s also unreliable,” Mr. Perciballi reported. A reduction, he offered, would “encourage people to return to the territory, which would help expand your pipeline.” Energy costs, health care gaps, and challenges with education have [long been identified](#) as barriers to repatriation for Virgin Islanders in the diaspora..

With the unemployment rate hovering just above 3 percent, the number of available jobs far exceeds the number of available workers, a scenario described by Labor Commissioner Gary Molloy as a “job seekers market.” With over 6,000 workers employed in the “oversized public sector,” Mr. Perciballi argued that the “best talent is going towards [the] public instead of serving the private sector needs.” Lightcast’s report recommends empowering “job transitions from the public sector to the private sector.” Clarifying that this method would not include layoffs, Mr. Perciballi explained that it would take the form of a “drawdown.” “For every new hire in the government, two positions would have to vacate,” relocating to the private sector.

Lightcast has also encouraged the territory’s leaders to “enable entrepreneurship” by removing processing delays and fees associated with starting a business that is reportedly higher than many locations. “We recommend a top-to-bottom regulatory review and overhaul.”

To complement increased entrepreneurship, the labor force consultants have also made a case for establishing a remote work culture within the territory. “By encouraging policies that are very friendly, such as e-signatures...you can become a remote-friendly destination,” explained Mr. Perciballi. This, they believe, will “encourage talent to relocate to the Virgin Islands.”

The company has also urged policymakers in the USVI to tailor workforce development to “forward-looking sectors” including the blue and green economy, and tourism. “If the goal is to grow these target sectors, then the workforce development program should be aligned with the needs of those target sectors,” explained Mr. Perciballi. Using the green economy as an example, he encouraged training in the maintenance of solar energy systems.

A focus on training in agro-processing, too, could support a morphing agricultural industry. The financial services sector is also promising for the USVI. Their report suggests focusing those training opportunities on St. John as “a lot of the employment for financial services is focused on that island.”

With an aging population, Lightcast observed that there will soon be a greater demand for retirement and related services. “Long-term care initiatives could be a play in terms of finding a niche for the healthcare industry,” Mr. Perciballi noted, with the described as an ideal “retirement

destination.” Other suggestions to strengthen the workforce within the health industry involved encouraging nurses in local hospitals to become “supplemental instructional nurses” at the University of the Virgin Islands to support a shortage of nursing faculty.

Lightcast was contracted by the Virgin Islands Workforce Development Board, which is required by the U.S. Department of Labor, Employment and Training Administration to “conduct research and evaluation to gauge the labor market of the territory.” The Board’s chair, Michael Carty told lawmakers that the territory stands at a “pivotal moment.” “By addressing our labor market challenges through comprehensive workforce development strategies, we can ensure sustainable growth,” he assured.

Actionable solutions, he said, will “bridge the gaps, attract new talent and bolster resilience across the sectors.”