

USVI Inflation Slows to 7.1% in 2024 but Remains Above National Average

Inflation in the USVI slowed to 7.1% in 2024, down from 8.4% in 2023 but still more than twice the U.S. average of 2.9%. St. Thomas saw the highest rate at 9.6%, with rising costs in education, food, housing, and communication driving the increase

Economy / **Published On June 02, 2025 07:12 PM /**

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The U.S. Virgin Islands experienced a cooling in inflation during 2024, with the annual rate easing to 7.1%, down from 8.4% in 2023. While this marks the lowest rate recorded since 2020, it still stands more than double the U.S. national average of 2.9% over the same period, according to data released by the Virgin Islands Bureau of Economic Research (BER).

Inflation Trends Across the Territory

The inflation rate varied significantly by island:

- St. Thomas recorded the highest at 9.6%, though it was a reduction from 11.5% in 2023.
- St. John followed with 5.8%, rising from 3.6% the previous year.
- St. Croix had the lowest at 5.3%, down from 9.3% in 2023

September saw the lowest monthly inflation territory-wide at 5.4%, while January peaked at 8.6%.

What Drove Inflation in 2024?

According to BER, the major contributors to inflation included:

- Education & Communication: up 16.8%, driven by a 36.3% increase in internet services and a 17.9% spike in cell phone plan costs.
- Recreation: rose 10.0%, including price increases in pet food (10.5%) and smart TVs (10.5%).
- Food: increased 8.8%, led by a 27.8% rise in egg prices, 30.3% in vegetables, and 7.4% in poultry.
- Housing: up 6.0%, reflecting moderate rent hikes and appliance costs.
- Transportation: rose 4.5%, following a slight decrease in

Island-Specific Details

St. Thomas

St. Thomas, while still experiencing the highest inflation rate in the territory, saw a slight improvement compared to the previous year. Notable increases were:

- Apparel: +12.3%
- Housing: +11.6%
- Education & Communication: +11.0%
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Food (take-out): +10.1%

- Transportation: +19.0%, driven in part by a 28.0% spike in tire prices

The island's highest inflation month was January at 12.7%; its lowest was September at 6.8%.

St. John

Inflation in St. John rose to 5.8%, from 3.6% in 2023. The sharpest increases occurred in:

- Education & Communication: +24.2%
- Recreation: +18.7%
- Transportation: +9.2%
- Food: +7.1% (with fruits and vegetables up 43.2%)

Cable TV packages under the recreation index rose 24.5% year-over-year. The island's highest inflation was in November (6.0%), with the lowest in February (3.6%).

St. Croix

St. Croix posted the territory's slowest inflation at 5.3%. Despite this, some categories still saw steep increases:

- Education & Communication: +17.6% (from just 2.6% in 2023)
- Eggs: +27.7%
- Recreation: +6.2%
- Housing: +3.1%, a significant drop from 14.9% in 2023

In terms of rent, single-bedroom units rose 5.2%, while two-bedroom units jumped 20.6%, reaching an average monthly cost of \$2,392.69. January marked St. Croix's peak month at 7.9%, with September being the lowest at 3.9%.

Price Changes for Common Goods and Services

Across all islands, average consumer prices in 2024 showed broad increases:

- Dozen eggs: \$14.49 (up from \$12.16 in 2023)
- Meats: \$9.74 per lb (up 7.5%)
- Fruits: \$5.96 per lb (up 4.5%)
- Fish: \$10.26 per lb (up 33.3%)
- Internet service: \$68.60 (up 20.9%)
- Cell phone plans: \$82.45 (up 12.9%)
- Basic rent: Single-bedroom units averaged \$1,820.50; two-bedrooms \$2,392.69
- Utilities: Electricity +6.9%, Water +3.4%, Cooking gas +0.3%
- Used vehicles saw a -11.1% drop in price, while new vehicles increased 4.1%

The slowing inflation in 2024 is attributed to easing global supply chains, modest declines in fuel prices, and broader economic stabilization. However, the 7.1% inflation rate in the Virgin Islands remains well above the U.S. average and continues to put pressure on household budgets.

According to the Bureau of Economic Analysis, if certain domestic tariff policies in the mainland U.S. are permanently implemented, national inflation could rise to 4.0% by the end of 2025—a development likely to impact the Virgin Islands inflation trajectory as well.

As a key economic measure, the Consumer Price Index (CPI) remains vital in shaping collective bargaining agreements, wage adjustments, rent negotiations, and public assistance calculations across the territory.

Residents can view the full 2024 USVI Consumer Price Index report at usviber.org.