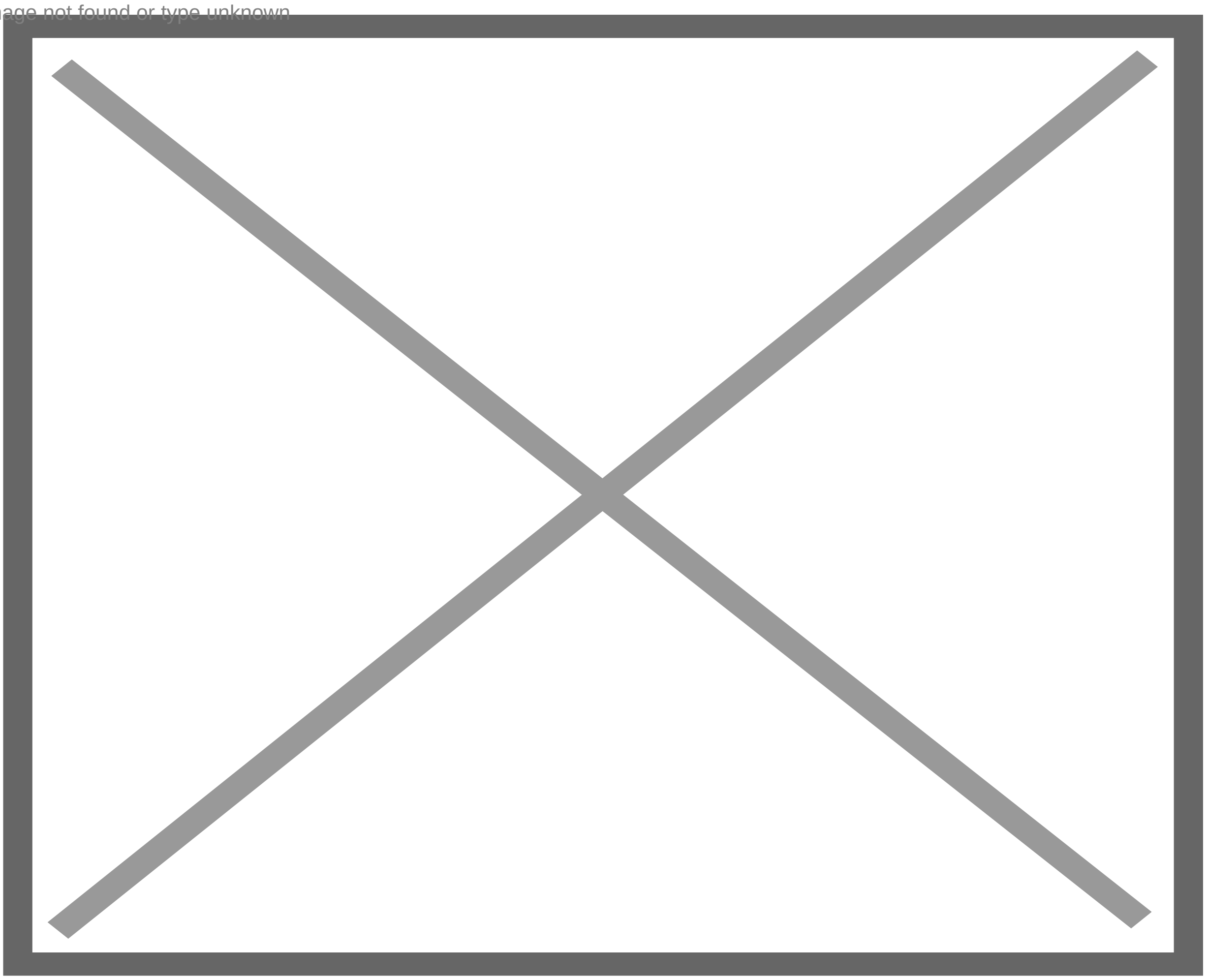
New York Fed Shows USVI Jobs Shrinking While Puerto Rico Grows, Complicating Bryan's Low-Unemployment Success Narrative

The New York Fed reports a 5.7% decline in USVI jobs over five years as Puerto Rico gained 8.4%, while fresh BLS data show payrolls down 5.8% year over year, complicating Bryan's repeated use of low unemployment as evidence of economic strength in 2026.

Economy / **Published On August 18, 2026 06:28 AM /**

Ernice Gilbert August 18, 2026

Image not found or type unknown



A construction worker lays concrete blocks in the U.S. Virgin Islands, where federal data show shrinking payroll employment even as officials cite historically low unemployment and persistent worker shortages.

A newly updated economic profile from the Federal Reserve Bank of New York shows employment in the U.S. Virgin Islands moving in the opposite direction from Puerto Rico and the mainland over a five-year period, adding important context to Governor Albert Bryan Jr.'s repeated emphasis on historically low unemployment as evidence of a strong territorial economy and an acute shortage of available workers.

The New York Fed's U.S. Virgin Islands Economic Indicators report, dated August 16, places the territory's five-year job growth through 2024 at negative 5.7 percent. Over the same period, Puerto Rico recorded employment growth of 8.4 percent and the United States grew 4.7 percent.

More recent federal data indicate that the decline has continued. Preliminary Bureau of Labor Statistics figures for June 2026 put total nonfarm wage and salary employment in the Virgin Islands at 32,300 jobs, down 5.8 percent from June 2025.

The figures do not mean the territory's low unemployment rate is inaccurate, nor do they necessarily contradict Bryan's contention that employers are struggling to find workers. They do, however, complicate the use of low unemployment by itself as evidence that the territory's overall employment base is expanding.

Bryan made that connection explicitly earlier this year.

During a March Government House briefing on the recovery of the territory's unemployment insurance trust fund, the governor credited years of low unemployment with helping the Virgin Islands eliminate a large portion of its federal unemployment debt.

“The fact is that our economy is doing so well that we were able to pay off $100 million loan in unemployment taxes,” Bryan said.

At the time, Bryan said unemployment had averaged 3.84 percent over the previous four years, describing that level as unprecedented in the territory. He argued that fewer unemployment claims allowed more money to be directed toward reducing the outstanding federal loan.

The governor has also repeatedly characterized the low unemployment environment as evidence that the territory has exhausted much of its readily available workforce.

In January, while discussing the manpower needed for the multibillion-dollar disaster recovery effort, Bryan rejected the suggestion that a substantial number of Virgin Islanders outside the workforce could readily be trained and brought back into employment.

“We need people to work. We need to have foreign labor,” he said, estimating that approximately 5,000 skilled workers would be required to carry out the recovery.

Those two conditions — low unemployment and declining employment — can exist at the same time.

Under the Bureau of Labor Statistics' standard definition, the unemployment rate measures unemployed people as a percentage of the labor force, not as a percentage of the entire working-age population. The labor force consists of people who are employed or actively looking for work. People who are not working and have not actively searched for employment within the required period are considered outside the labor force and are not counted as unemployed. Discouraged workers are also excluded from the headline unemployment rate.

That distinction becomes particularly important in the Virgin Islands because the territory has experienced a substantial decline in population and in the number of people available to work.

The New York Fed profile lists the USVI population at 87,146 and shows a roughly 15 percent population decline over its 10-year comparison, compared with an approximately 11 percent decline in Puerto Rico and 6.5 percent population growth nationally. The Fed notes that its USVI population figures are drawn from the 2020 Decennial Census of Island Areas.

The territory's shrinking labor pool has also been documented locally.

A 2024 labor-force study commissioned by the Virgin Islands Workforce Development Board found that economic shocks including the 2017 hurricanes, the closure of the Limetree Bay refinery and the Covid-19 pandemic had contributed to population losses and reduced the number of people available to work. At the time, unemployment was approximately 3.2 percent, yet consultants described a “scarcity of workers competing for more job opportunities.”

That means a low unemployment rate can reflect a tight labor market even when the economy has fewer workers and fewer jobs than it did previously. In such an environment, employers may genuinely struggle to fill vacancies because the pool of available workers has contracted.

The latest BLS numbers provide a closer look at where payroll employment stands in 2026.

Total nonfarm employment in June was 32,300, down 5.8 percent from a year earlier. Leisure and hospitality employment stood at 5,300 jobs, a 20.9 percent year-over-year decline. Mining, logging and construction employment totaled 1,800, down 5.3 percent, while professional and business services stood at 2,400, down 4 percent. Government employment totaled 10,500 jobs, down 0.9 percent from a year earlier.

Not every sector declined. Education and health services employment increased 5 percent from a year earlier, while other services rose 12.5 percent. Trade, transportation and utilities were down 1.4 percent. The June figures are preliminary.

The New York Fed has separately highlighted the widening difference between the two Caribbean economies it covers.

During a June presentation, the bank displayed Puerto Rico and Virgin Islands employment together under the heading “A Tale of Two Island Economies …” The chart shows Puerto Rico's payroll employment rising substantially from its pandemic-era decline and exceeding its pre-pandemic level, while Virgin Islands employment remained below its 2016 level and weakened after reaching a more recent high around 2024. The Fed said the employment data in that presentation had been early-benchmarked through April 2026.

The Fed's five-year comparison and the latest BLS monthly figures cover different periods and should not be treated as the same measurement. Taken together, however, they show that the territory's historically low unemployment rate exists alongside a considerably smaller employment base and a shrinking population.

That distinction is central to evaluating the administration's economic claims.

Bryan's argument that the Virgin Islands faces a serious worker shortage is compatible with the federal data. A smaller population and labor force can make workers scarce, particularly as the territory prepares for an unusually large volume of federally funded construction.

What the newest numbers complicate is the broader conclusion that low unemployment, standing alone, demonstrates strong employment growth. The New York Fed shows the USVI losing jobs over the five-year period through 2024 while neighboring Puerto Rico expanded its employment base, and the latest BLS data show payroll employment continuing to contract into 2026.

The result is a more complex labor picture: few unemployed people among those participating in the labor force, employers reporting difficulty finding workers, and at the same time fewer total payroll jobs than federal data show the territory supported in earlier years.