The Virgin Islands Consortium

Op-Ed | Population, Demographics And Migration

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Essential to economic growth is reversing our migration. We must make our Virgin Islands a realistic location of choice for those completing university training or leaving military service and attract other talented millennials to be part of our community.

Our community is aging and our workforce shrinking. Neither is advantageous to economic expansion.

Economic growth will not occur simply by depending on the efforts of our economic development agencies. Further, it can be argued that tax incentives alone skews business attraction towards professional and management service companies that require fewer workers but those with advanced academic preparation.

Inclusive economic development occurs when there is job creation across all strata of business and industry—finance, technology, the professions, hospitality, logistics wholesale and retail sales—and that is only possible when there exists a motivated, task-oriented workforce to fill those jobs.

The Virgin Islands will not extricate itself from its current financial challenges without expanding its economic base. Its existing population and economy alone cannot amortize the billions of dollars in bonded debt, accrued pension and health-care liabilities and simultaneously fund community responsive government services.

There is a symbiotic relationship between attracting new businesses, growing the economy and a having a talented and willing workforce capable of contributing to business growth.

Some basic demographic realities support the contention that we are not truly workforce ready.

In 2000, the Virgin island resident population approached 110,000. By 2016, the population was estimated at 102,000. Population growth over the last sixteen years has been negative. Net migration is -7.39%. The national average is a positive 3.9%.

Maria and Irma will further adversely impact population and workforce size and demographics. Population loss will undoubtedly occur among those with the greatest economic mobility and include well-trained millennials who move to pursue career opportunities, build businesses and develop professional footing in communities more resilient to environmental change and not as financially challenged.

These individuals will also leave in search of professional and social stimulation attributes larger communities more readily offer.

Deconstructing our population statistic is particularly insightful. In 2000 the Virgin Islands median age was 33.7. In 2017 it was estimated to be 45.6. The median age of the United States is 37.9. The Virgin Islands is fifth oldest among 229 countries, territories and dependencies worldwide.

When we look at the median age of fast growing economic areas, the median age is considerably younger than the U.S. national average. Three examples are Boise, Idaho, 35.9; Tampa, Florida, 34.8; and Denver, Colorado, 34.

The age distribution of the Virgin Islands workforce is not readily available, so we can use the local government's workforce statistics as a stand-in.

The retirement system identifies the average age of government employees at 46.3 years. Almost 55% of that workforce is older than 45. Comparing 2016 actuarial report data with that for 2001, over the past fifteen years the average age has increased almost two years.

Why then my emphasis on attracting additional residents and workers with the emphasis on millennials in particular?

The millennial cohort ranges between ages 18 and 37 and is twice as large as the baby boomer generation. Available studies characterize this new generation as highly motivated, tech savvy and career focused. Once engaged, on average, millennials are highly trainable and task oriented.

A younger work force is less costly to employ and more easy to integrate. A reasonably sized pool of employable individuals ensures the ability to backfill as the inevitable employee transitions occur.

Major cities elsewhere have undertaken campaigns to increase the number of younger resident by focusing on retaining graduates from local area schools of advanced training and higher education. Retaining these individuals ensures a ready pool of well-trained workers on which economic growth occurs.

The Virgin Islands lacks this advantage, but we also need fewer individuals to change the aging dynamic than do larger communities.

To make our workforce more youthful we will need to attract new residents; to do so, we must have a community that offers diverse quality of life attractions.

A recent study by the Pew Charitable Trust found that when millennials were asked to prioritize what was important in their decision to live in a community the following were mentioned, in no particular order: safety; educational and career opportunity; variety and quality of arts and entertainment; a sense of place; the surrounding natural environment; and the presence of family, friends and other millennials.

Absent broad based life amenities, attracting and retaining a more youthful workforce is particularly difficult.

Other communities facing similar challenge have evaluated the amenities that exist within their community and compared these with the expectations of those whom the community seeks to attract. It is important that representatives of the targeted age cohort be involved in making this assessment.

An action plan that coordinates strategies designed to complement existing attributes is then promoted to the general community. Professional and business organizations, community foundations, non-governmental entities, social clubs and not for profits all have a role to play in this effort. Each independently determine what their respective contribution can be. When all coalesce around the shared objective, positive change occurs.

Government is the preferred entity to provide coordination. However, if government does not accept that leadership responsibility, that role can be filled by a broad-based community organization. What is most needed from government is a commitment to eliminate bureaucratic obstacles that frustrate efforts to implement change.

The assessment/ implementation effort is not a one-time event but requires periodic revisiting. By sharing updates, community participants can make modifications to their role.

An expanded population and workforce will produce other societal benefits beyond the obvious economic and financial ones: there will be greater participation in the political development of the Territory and a richer pool of individuals from which to select community and political leadership.

Changing the demographics of our community and enhancing the quality of life are critical considerations for growing our economy and for changing long-term future prospects.

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