



LABOUR MARKET REPORT 2024



August 2025

**Prepared by:
Labour Market Demand Unit**

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The Unit also acknowledges the valuable contributions of the International Labour Organization (ILO), the global authority on labour statistics. ILO publications, databases, and indicators, particularly the ***Key Indicators of the Labour Market (Ninth Edition)*** and the ***World Employment and Social Outlook: May 2025 and Trends 2025***, have enriched this report by supporting comparative analysis and providing critical insights into global labour market developments and trends.

Introduction and Methodology

The ***Labour Market 2024 Report*** presents a comprehensive analysis of the Cayman Islands' labour market, alongside global labour developments and emerging trends. It draws on data from the Economics and Statistics Office (ESO), the International Labour Organization (ILO), World Employment and Social Outlook: Trends 2024 and 2025, the International Monetary Fund (IMF) and the Statistical Institute of Jamaica.

The report focuses on nine of the eighteen core labour market indicators identified by the ILO as essential for assessing labour market performance. These indicators are examined over a six-year period (2019–2024) and disaggregated by immigration status, sex, age group, and other relevant demographics, where applicable.

Data for the 2024 Labour Market Survey was collected during the reference week of September 22–28, 2024. The concepts and definitions used in the survey adhere to ILO guidelines, ensuring the international comparability and credibility of the indicators presented.

Minor discrepancies in the figures may occur due to rounding; as a result, totals may not sum to 100 per cent. Additionally, some figures may exclude 'don't know or not sure' responses.

Throughout the report, the term “Non-Caymanian” includes individuals with permanent residency.

Summary: Performance Statistics

Summary: Cayman Islands' Key Indicators of the Labour Market (KILM) 2019 - 2024							
KILM	2019	2020	2021	2022	2023	2024	Status (2024 vs 2023)
Labour Force Participation Rate (%)	82.8	80.4	82.1	83.0	83.1	80.8	●
Caymanian	72.4	72.0	73.2	71.4	71.7	68.1	●
Employment-to-Population Ratio	80.0	76.2	77.5	81.2	80.4	78.9	●
Caymanian	68.4	66.0	67.0	68.8	68.1	64.9	●
Status in Employment							
Employees (%)	92.2	90.5	90.4	91.3	92.3	91.2	●
Self-Employed	7.4	9.0	9.5	8.4	7.4	8.3	●
Caymanian - Employee	38.9	43.3	40.2	33.8	33.2	32.2	●
Caymanian - Self-Employed	84.9	81.5	78.8	76.8	82.4	79.6	●
Time-Related Underemployment Rate (%) **	2.1	3.6	n/a	5.1	2.1	7.4	●
Caymanian	3.1	5.0		6.4	2.9	5.2	●
Unemployment Rate (%)	3.5	5.2	5.7	2.1	3.3	2.4	●
Caymanian	5.6	8.3	8.5	3.6	5.0	4.6	●
Persons Not in the Labour Force - Inactivity Rate (%)	17.2	19.6	17.9	17.0	16.9	19.2	●
Caymanian	27.6	28.0	26.8	28.6	28.3	31.9	●
Labour Productivity (CI \$'000) ***	95.55	103.36	98.30	84.72	86.35	n/a	

Notes: *Status reflects the performance in 2024 relative to 2023

KILMs – Employment by Industry and Earnings were not included in the Summary Table

**No data was available for 2021

***2024 GDP is not yet available

n/a – Not available

- - Declined Performance
- - Improved Performance

Global Overview

Slower Job Creation Amid Uncertain Recovery

In 2024, global employment continued to grow, but not fast enough to absorb all those willing to work. The year was marked by modest employment gains that were outpaced by GDP growth, reflecting persistent underemployment and deficits in job quality. This imbalance contributed to a significant global jobs gap, with an estimated 407 million people wanting to work but unable to find employment. The data underscore the scale of exclusion in global labour markets and the need for more inclusive and sustainable employment strategies.

GDP and Productivity Trends

Over the decade from 2014 to 2024, the global economy expanded by 33.5 per cent, but employment only grew by 13.2 per cent. In contrast, labour productivity, measured as output per worker, increased by 17.9 per cent, indicating that much of the economic growth was driven by efficiency gains rather than job creation. This disparity suggests that while economies became more productive, they did not generate sufficient employment opportunities to keep pace with labour force growth, reinforcing concerns about jobless growth and labour market exclusion.

Informal Employment Remains High

Informal employment remains a dominant feature of the global labour landscape. In 2024, 57.8 per cent of all workers worldwide, equivalent to more than 2 billion people, were employed informally. Informality expanded more rapidly than formal employment over the past decade, especially in regions like Africa and the Arab States. Only Europe and Central Asia recorded a decline in informality, highlighting significant regional disparities and the ongoing challenge of transitioning to formal, protected work.

Worsening Labour Income Share

Workers' share of the global economic output, known as the labour income share, declined from 53.0 per cent in 2014 to 52.4 per cent in 2024. This drop means that a smaller portion of GDP went to wages and salaries, contributing to rising income inequality. If the labour income share had remained at its 2014 level, workers globally would have earned an additional \$1 trillion in 2024, translating to about \$290 more per worker. The erosion of the labour share underscores the need for stronger labour market institutions, including collective bargaining and social dialogue, to ensure fairer distribution of economic gains.

Occupational and Educational Shifts

Employment has continued to shift toward high-skill occupations, primarily driven by workers employed as professionals¹. Among professionals, those working in the information and communications technology sector have experienced the fastest growth, with their share of total employment from 0.8 per cent to 1.3 per cent over the past decade. Women made especially notable gains, with 23.2 per cent of women employed in high-skill jobs in 2023, compared to 18.0 per cent of men. However, educational mismatches remain widespread. As of 2023, only 47.7 per cent of workers had educational qualifications that matched their job requirements. The share of under-educated workers declined from 37.9 per cent in 2013 to 33.4 per cent, while the over-educated population rose to 18.9 per cent from 15.5 per cent, highlighting ongoing challenges in aligning education systems with labour market demands.

AI and Automation Exposure

In 2024, the majority of workers, 76.2 per cent, were in jobs with little or no exposure to generative AI technologies. However, a significant minority (23.8 per cent) were in occupations with medium to high exposure, especially in high-skill and medium-skill roles. Jobs most exposed to automation included accountants, clerks, and software developers, raising concerns about potential task displacement and transformation in

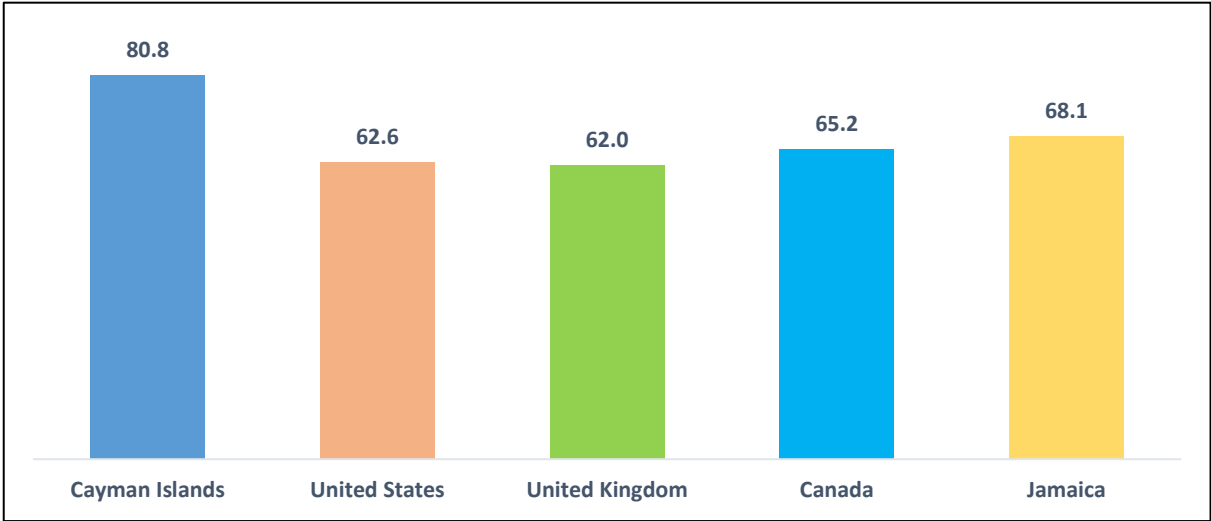
these sectors. While full job automation is unlikely in the short term, the report highlights the need for proactive policies to manage AI-driven changes and ensure a just transition for affected workers.

Comparison of Labour Market Indicators

Charts 1 and 2 provide a comparative analysis of the Cayman Islands’ performance relative to selected countries on two key labour market indicators.

In 2024, the Cayman Islands maintained a leading position, recording the highest labour force participation rate of 80.8 per cent although reflecting a slight decline from 83.1 per cent in 2023. At the same time, Cayman achieved the lowest unemployment rate among the countries compared, improving to 2.8 per cent, down from 3.3 per cent in 2023.

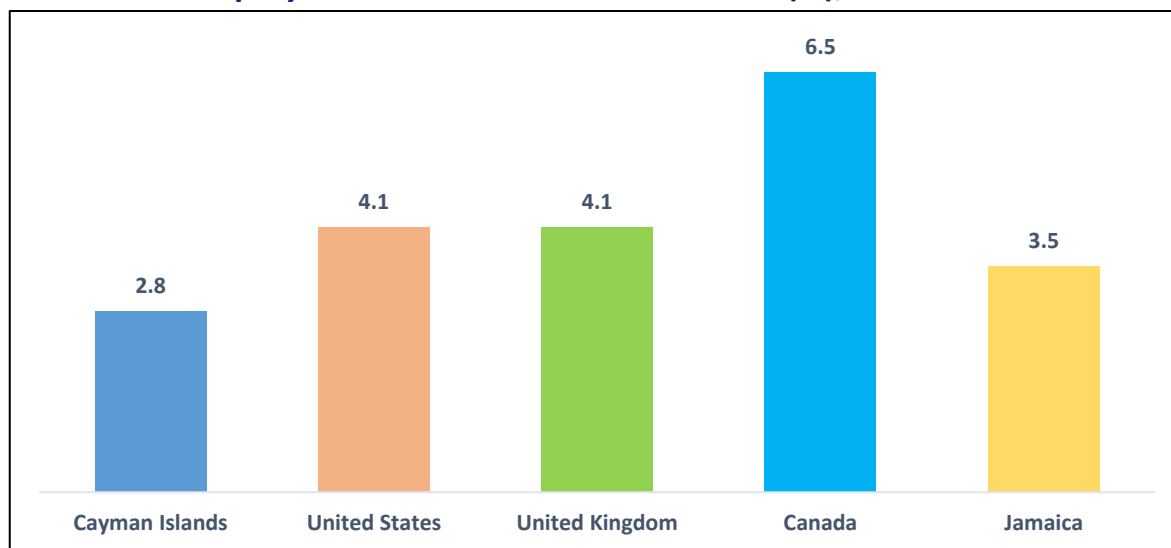
Chart 1: Labour Force Participation Rates of Select Countries (%), 2024



Sources: ILOSTAT and Statistical Institute of Jamaica (STATIN)

¹ The category “Professionals” includes, for example, medical doctors, university and higher-education teachers, mathematicians and actuaries, and software developers.

Chart 2: Unemployment Rates of Select Countries (%), 2024



Sources: ILOSTAT and Statistical Institute of Jamaica (STATIN)

Key Indicators of the Labour Market (KILM)

KILM1: LABOUR FORCE PARTICIPATION RATE (LFPR)

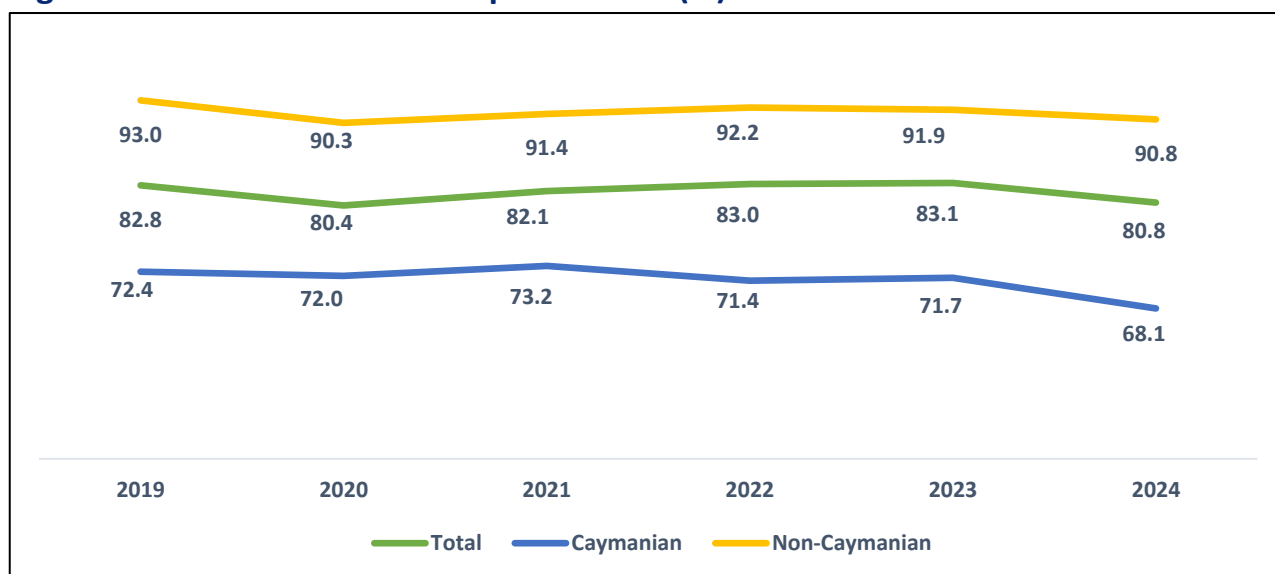
The Labour Force Participation Rate is a measure of the proportion of a country's working-age population that is actively engaged in the labour market, either by working or looking for work. The working-age population is defined as those persons 15 years and older in the non-institutionalized population while the labour force is the sum of the employed and unemployed persons.

The LFPR is calculated by expressing the number of persons in the labour force as a percentage of the working age population. This metric is essential for determining the size and composition of a country's human resources and plays a critical role in forecasting the available supply of labour.

In 2024, the labour force totalled 60,828 persons, representing an increase of 315 compared to 2023. This overall growth was driven by a rise in the Non-Caymanian labour force, which expanded by 486 to reach 38,293. In contrast, the Caymanian labour force declined by 171 persons, totalling 22,535 in 2024.

As shown in Figure 1, between 2019 and 2024, the Cayman Islands consistently maintained a high labour force participation rate (LFPR), remaining above 80 per cent throughout the period, despite the challenges caused by the global COVID-19 pandemic. In 2024, the LFPR stood at 80.8 per cent, reflecting a slight decline from the 2023 rate. Non-Caymanians recorded a significantly higher participation rate of 90.8 per cent, compared to 68.1 per cent for Caymanians. This outcome aligns with expectations, given the country's immigration framework, which is primarily structured around the issuance of work permits.

Figure 1.0. Labour Force Participation Rate (%)



The LFPR among males was consistently higher than that of females throughout the review period for both Caymanian and Non-Caymanian working-age populations (Figures 1.1 and 1.2).

Among Caymanians, the LFPRs in 2024 were the lowest recorded over the six-year period for both males and females, 70.7 per cent and 65.4 per cent, respectively. The highest rates for both groups were observed in 2021.

For Non-Caymanians, the LFPR in 2024 was 92.8 per cent for males (down from 94.0 per cent in 2023 and 88.6 per cent for females (down from 89.5 per cent in the previous year). The highest participation rate for Non-Caymanian males was recorded in 2022 at 96.0 per cent, while the highest for Non-Caymanian females was in 2023 at 89.5 per cent.

Figure 1.1. Labour Force Participation Rate of Caymanians by Sex (%)

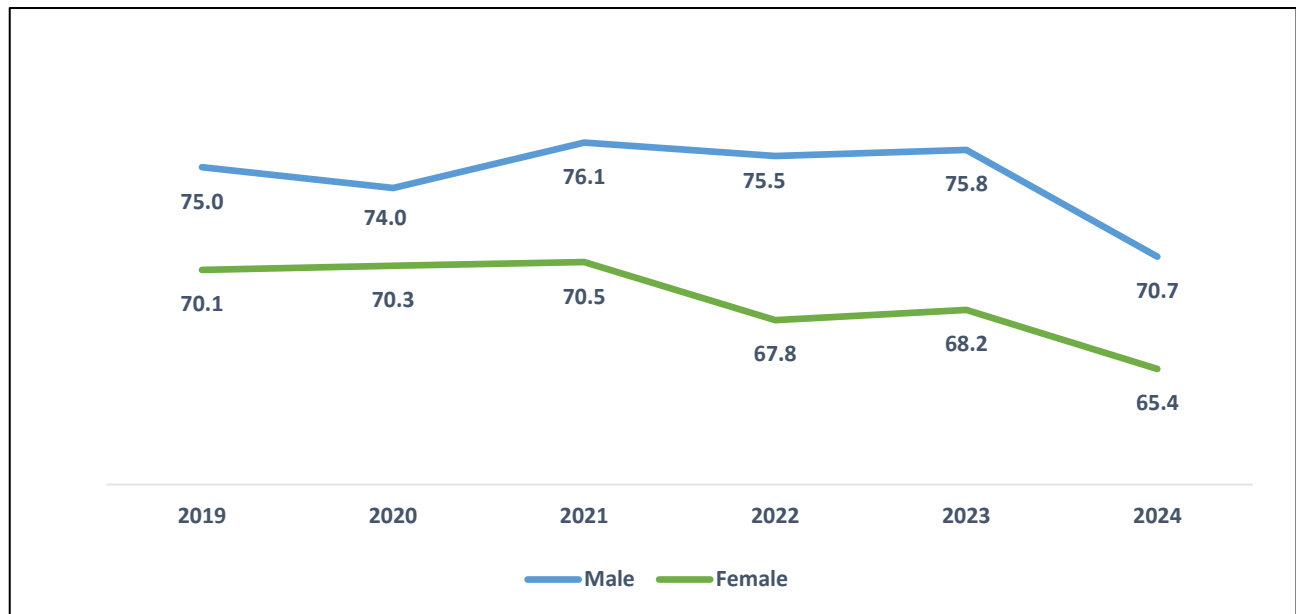
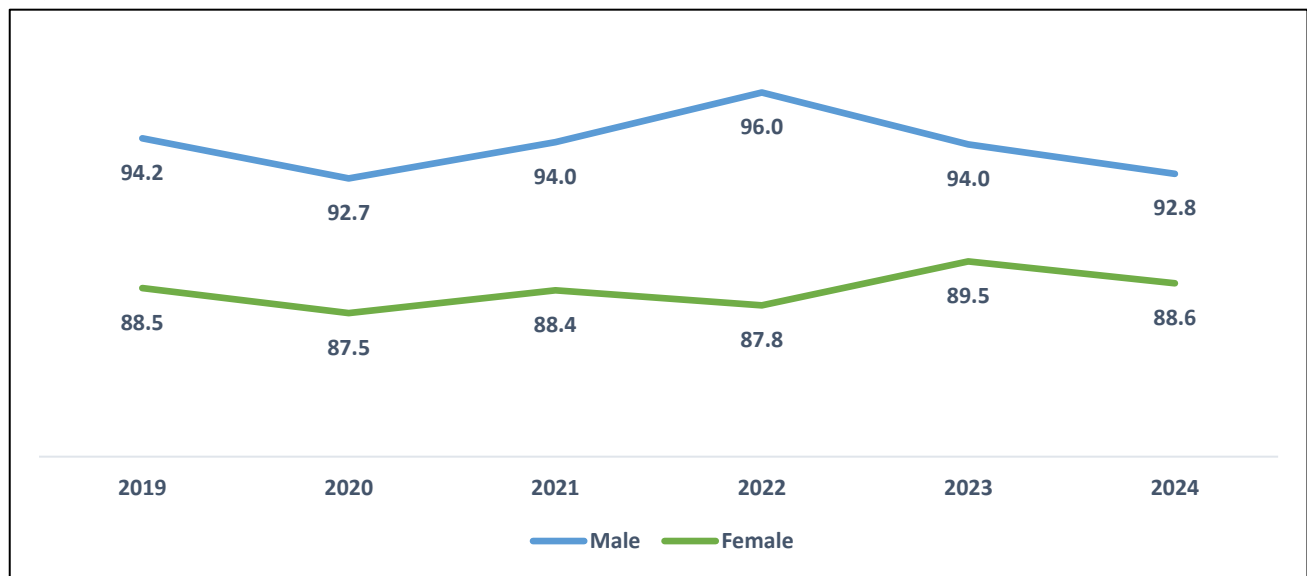


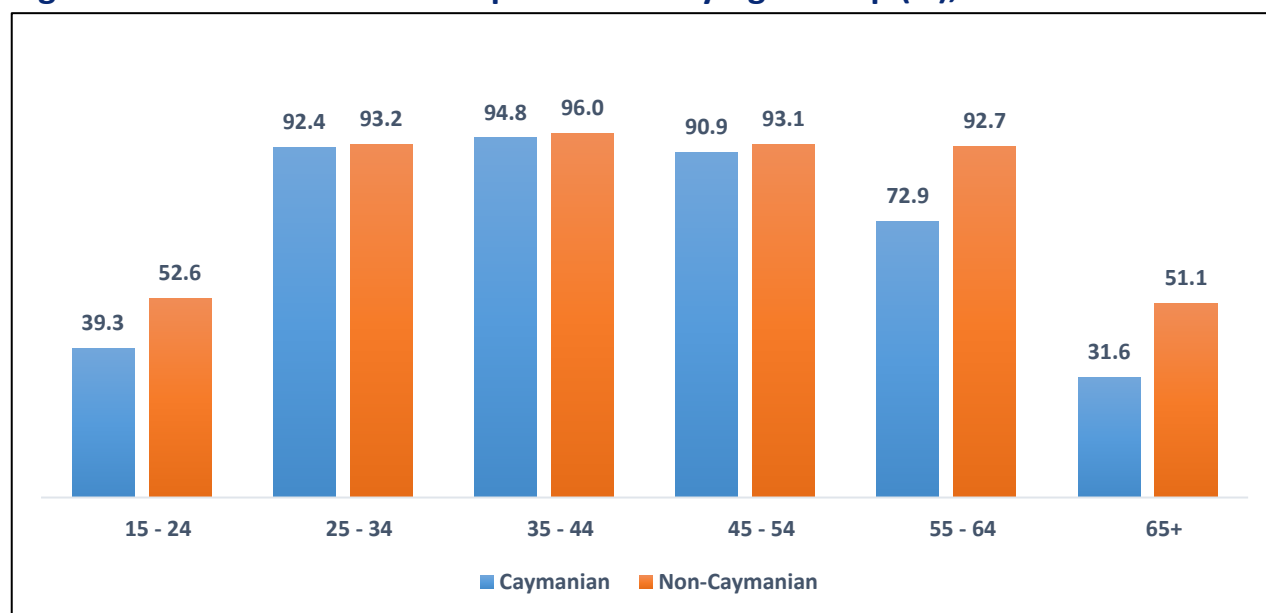
Figure 1.2. Labour Force Participation Rate of Non-Caymanians by Sex (%)



Approximately 66.3 per cent (49,920 out of 75,307 persons) of Cayman’s working-age population (individuals who are employed or actively seeking employment) fell within the 25-54-year age range. As expected, the highest LFPR was observed among individuals aged 35-44, with Caymanians and Non-Caymanians registering rates of 94.8 per cent and 96.0 per cent, respectively (Figure 1.3). This was followed by the 25-34 and 45-54 age groups, which is consistent with typical labour market patterns, as individuals in these age ranges are generally in their prime working years.

In contrast, the lowest LFPR was recorded among individuals aged 65 and over at 51.1 per cent (Non-Caymanians) and 31.6 per cent (Caymanians), followed by those aged 15-24 for both. These lower rates are consistent with expectations due to retirement among older individuals and full-time education among younger persons.

Figure 1.3. Labour Force Participation Rate by Age Group (%), 2024



KILM 2: EMPLOYMENT-TO-POPULATION RATIO

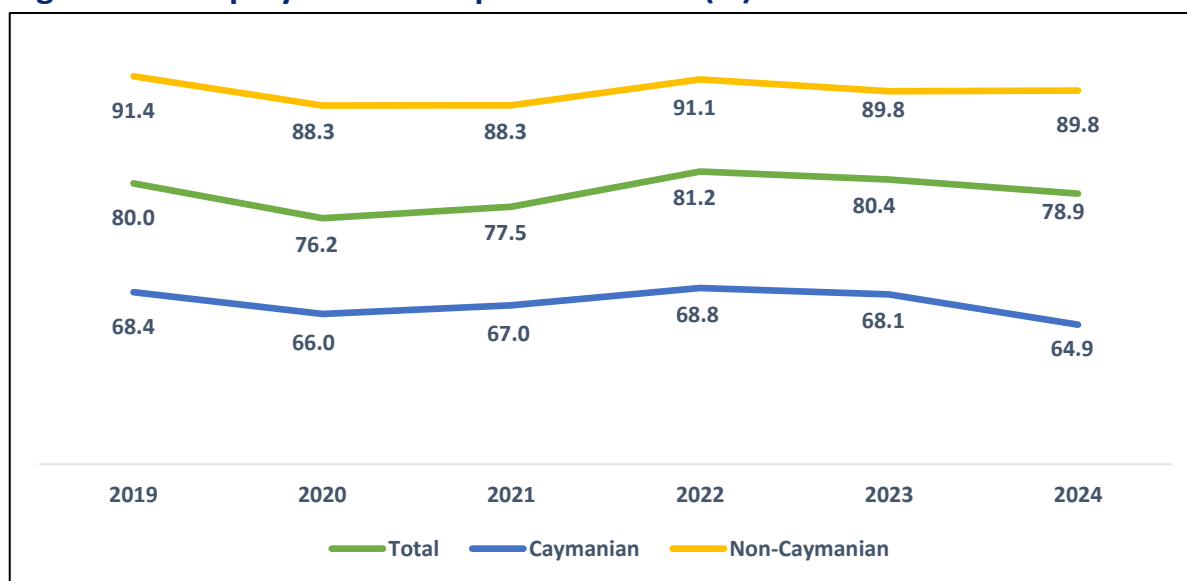
The employment-to-population ratio is measured by the ratio of the employed persons to the working-age population in a country. A high ratio implies that a large proportion of the country's population is employed, while a low ratio indicates a smaller share of the population is engaged in employment. This indicator provides insight into an economy's capacity to generate jobs and is closely tied to the country's overall economic performance.

In 2024, total employment increased by 889 persons relative to 2023, bringing the number of employed individuals to 59,393.

The employment-to-population ratio declined from 80.0 per cent in 2019 to 76.2 per cent in 2020, likely reflecting the economic fallout from the COVID-19 pandemic (Figure 2.0). The ratio gradually rebounded in subsequent years, rising to 77.5 per cent in 2021 and peaking at 81.2 per cent in 2022, supported by improved economic conditions. However, this was followed by a slight decline to 80.4 per cent in 2023 and a further dip to 78.9 per cent in 2024.

Throughout the six-year period, the employment-to-population ratio remained consistently higher among Non-Caymanians compared to Caymanians. In 2024, the ratio for Caymanians declined to 64.9 per cent, down from 68.1 per cent in the previous year, indicating a notable shift in labour market engagement among this group.

Figure 2.0. Employment-to-Population Ratio (%)



As shown in figures 2.1 and 2.2, employment-to-population ratios were persistently higher for males than females among both Caymanians and Non-Caymanians.

For Caymanians, following 2022, the ratio steadily declined for both sexes, reaching 67.8 per cent for males and 62.0 per cent for females in 2024. Non-Caymanian males exhibited a similar trend, with the ratio declining from 95.1 per cent in 2022 to 92.3 per cent in 2024. However, the employment-to-population ratio for Non-Caymanian females increased to 87.3 per cent in 2024 from 84.3 per cent in 2021. Notably, during this period, there was employment growth in the Human Health and Social Work Activities; and Activities of Households as Employers industries, both of which are traditionally female-dominated.

Figure 2.1. Employment-to-Population Ratio of Caymanians by Sex (%)

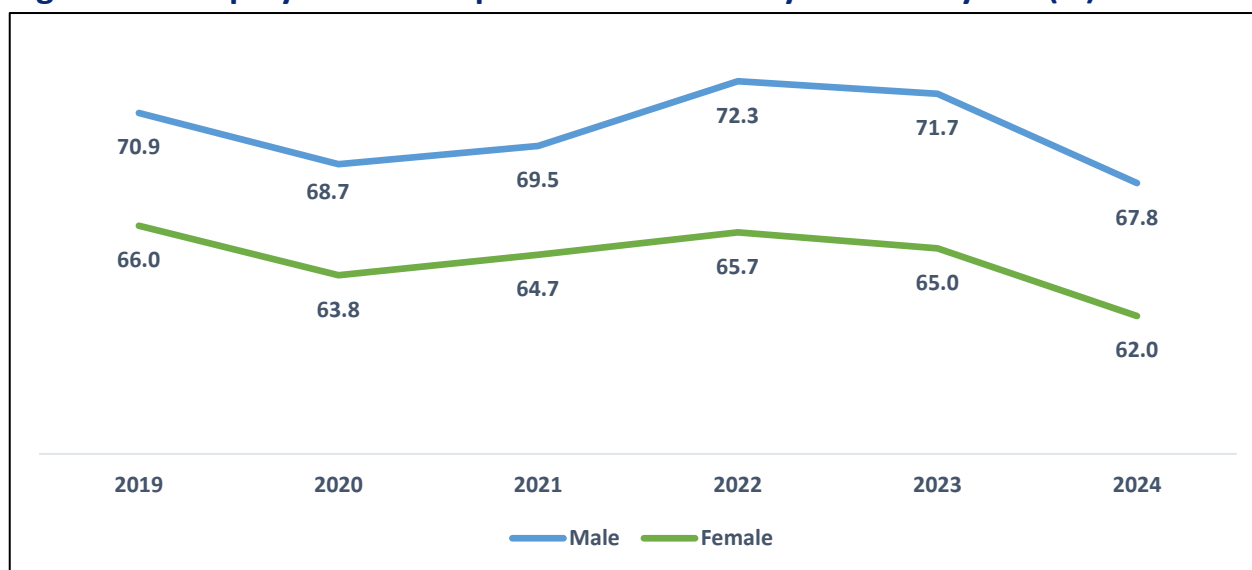
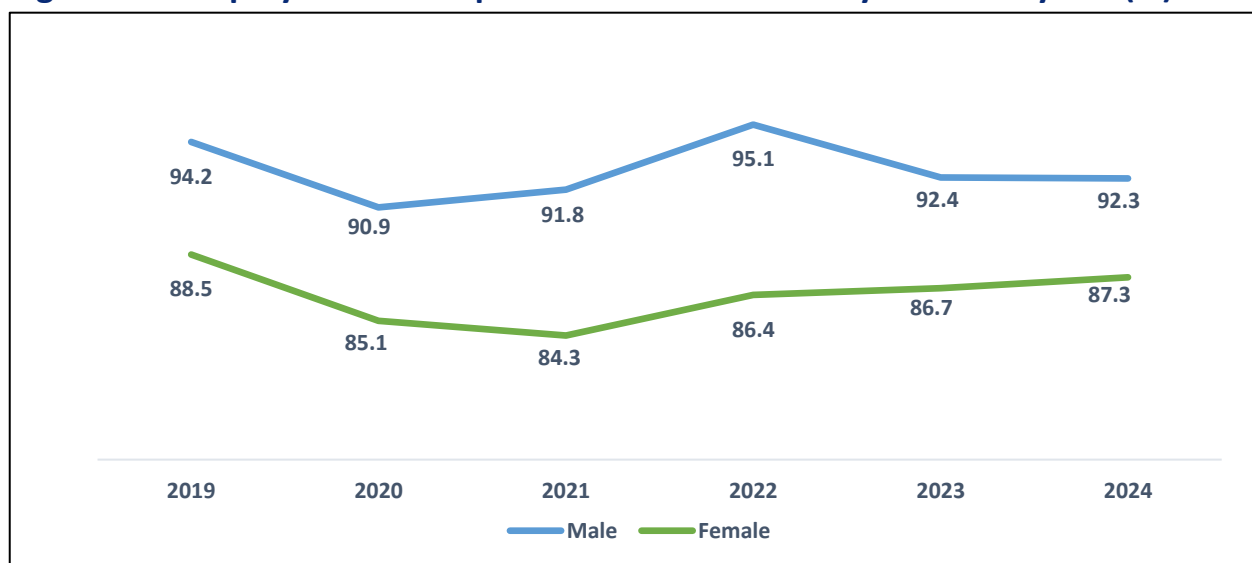


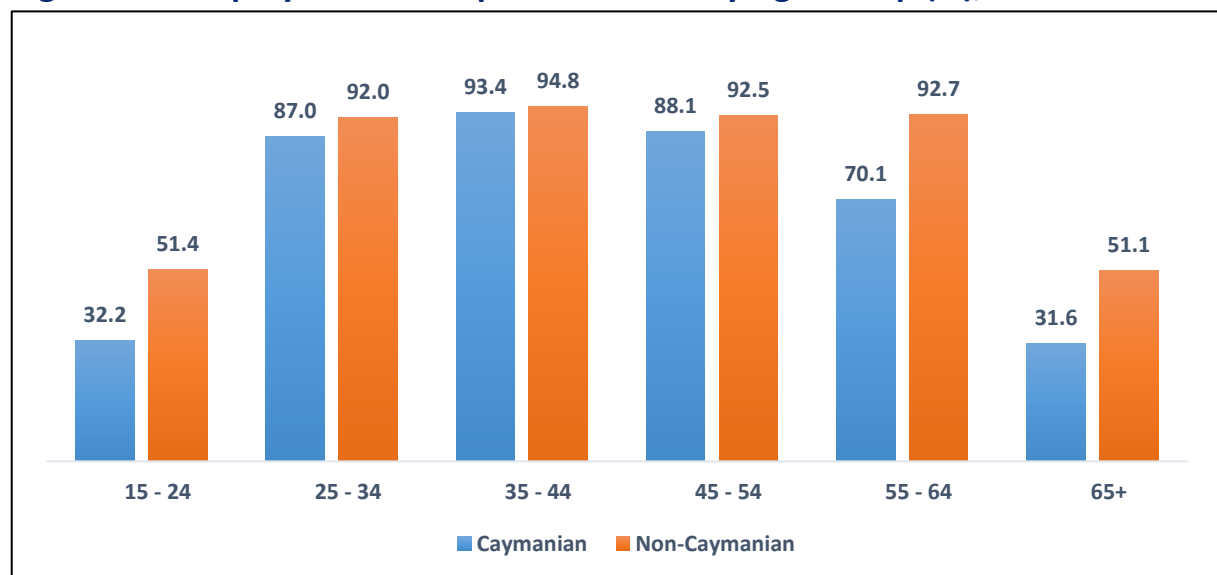
Figure 2.2. Employment-to-Population Ratio of Non-Caymanians by Sex (%)



In 2024, employment-to-population ratios were higher across all age groups for Non-Caymanians, which is expected given that the residency of most expatriates is tied to work permits. The highest ratios for both Caymanians and Non-Caymanians were observed in the 35–44 age group (94.8 per cent for Non-Caymanians and 93.4 per cent for Caymanians), followed by the 45–54 and 25–34 age groups (Figure 2.3).

A decline in the employment-to-population ratio was observed for Caymanians in the 55–64 and 65 and over, as well as among Non-Caymanians aged 65 and over. However, Non-Caymanians in the 55–64 age group maintained relatively high employment levels, which may suggest that Caymanians tend to retire earlier than their Non-Caymanian counterparts.

Figure 2.3. Employment-to-Population Ratio by Age Group (%), 2024



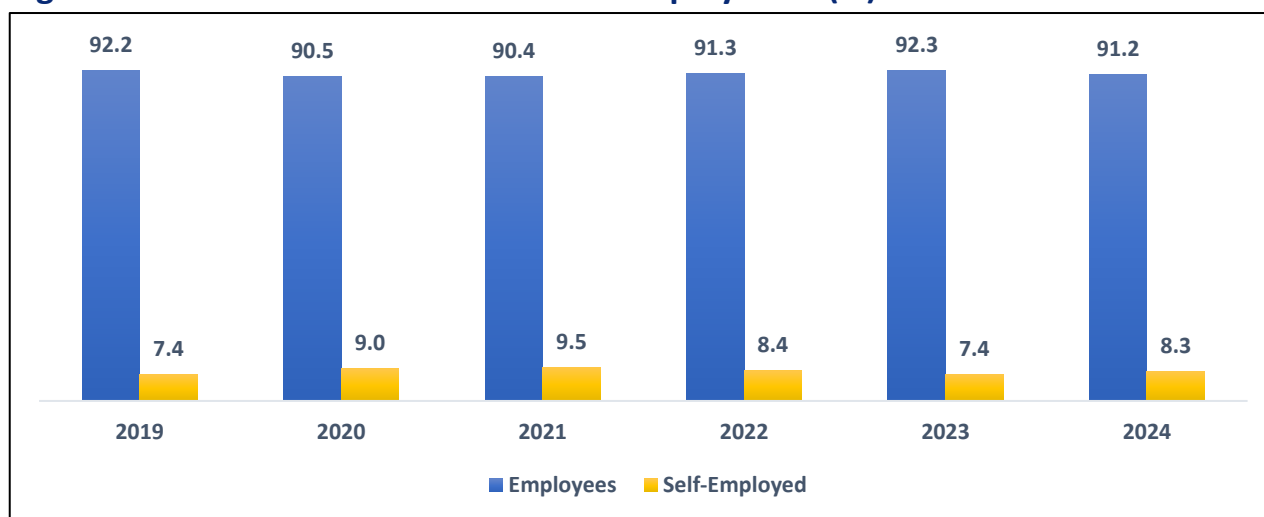
KILM 3: STATUS IN EMPLOYMENT

Status in employment differentiates between two categories of the total employed. These are employees, also known as wage and salaried workers; and self-employed workers. Within self-employed workers category, there are self-employed workers with employees, self-employed workers without employees and contributing family workers (formerly known as unpaid family workers).

This indicator can provide useful information on workers' behaviour, conditions of work and a person's socio-economic group. For example, a country with a high proportion of wage and salaried workers usually implies advanced economic development. On the other hand, a country with a high proportion of self-employed workers, particularly contributing family workers, usually signifies low economic development, widespread poverty, high levels of informality and often a large rural sector.

Of the total employed labour force in 2024, 91.2 per cent (54,141) were employees (individuals "working for someone"), while 8.3 per cent (4,929) were self-employed, either with or without employees (Figure 3.0). This suggests a modest level of entrepreneurship, particularly among Caymanians. These proportions have remained relatively stable over the past six years, averaging 91.3 per cent for employees and 8.3 per cent for the self-employed.

Figure 3.0. Total Labour Force Status in Employment (%)



For 2024, within the employee category, 67.8 per cent (36,700) were Non-Caymanians, while 32.2 per cent (17,441) were Caymanians (Figure 3.1). These proportions remained relatively stable between 2022 and 2024.

In contrast, Caymanians made up the majority of the self-employed labour force in 2024, accounting for 79.6 per cent (3,923), compared to 20.4 per cent (1,004) for Non-Caymanians (Figure 3.2).

Figure 3.1. Status in Employment for Employees (%)

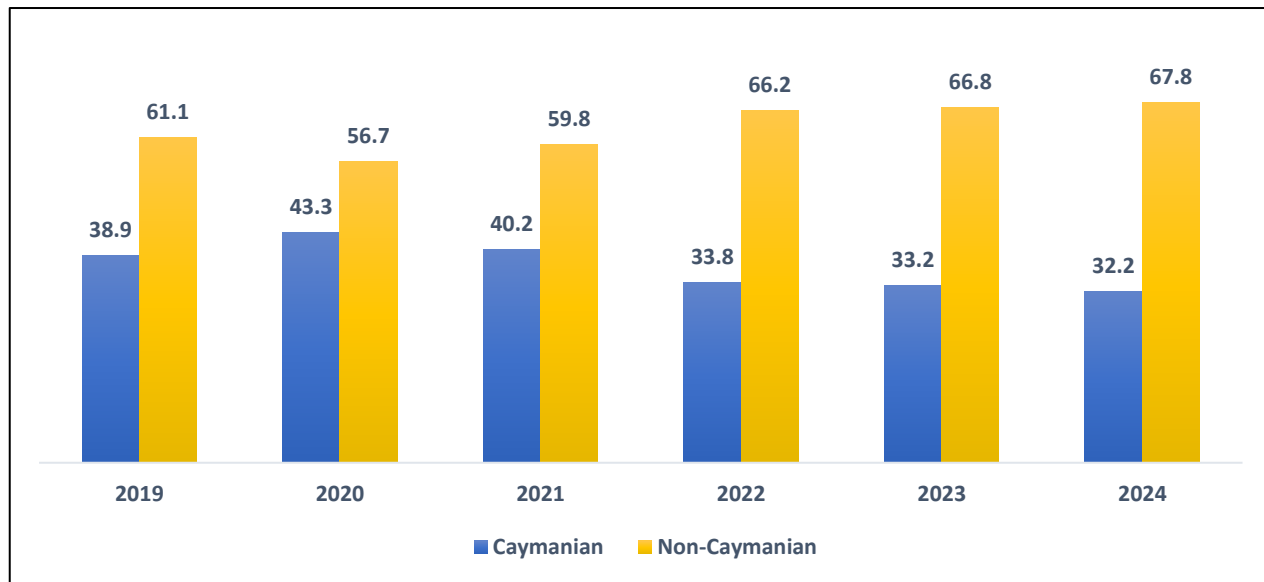
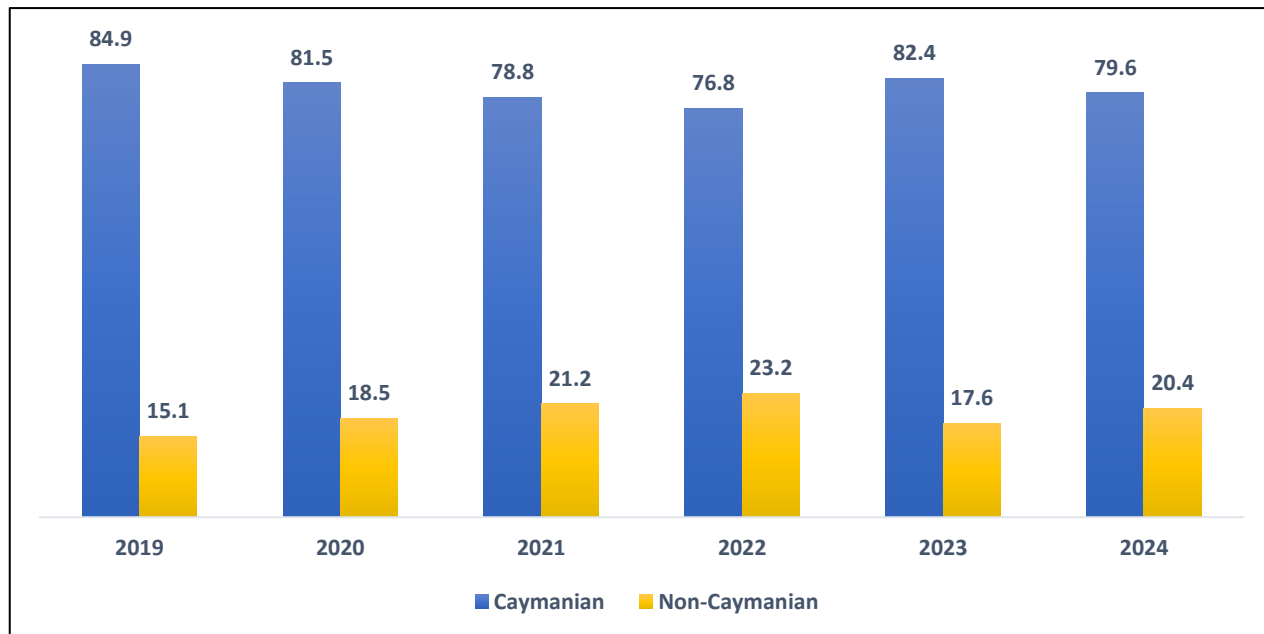


Figure 3.2. Status in Employment for Self-Employed Workers (%)



KILM 4: EMPLOYMENT BY INDUSTRY

This indicator classifies employment into the major industries by economic activity. It is useful for analyzing broad shifts in employment and stages of economic development. The Cayman Islands economy is primarily driven by the services sector in terms of both output and employment, with the Financial and Insurance Activities industry serving as the largest contributor to output, measured by the market value of final services provided.

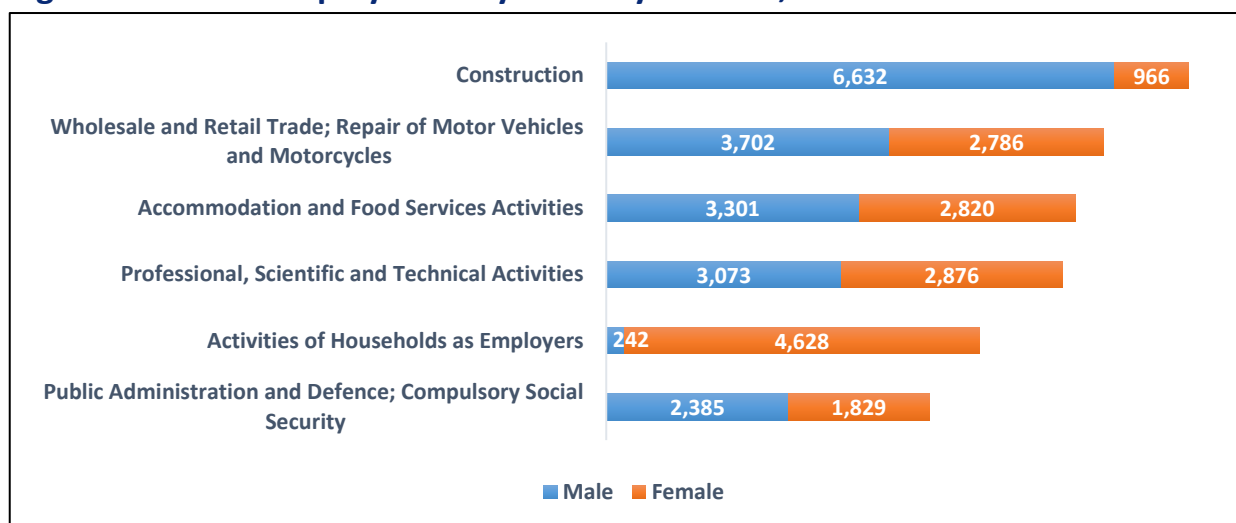
The Construction industry was the largest employer in the Cayman Islands in 2024, with 7,599 persons employed, representing 12.8 per cent of the total employed labour force (Figure 4.0). The industry remained heavily male-dominated, with males accounting for 87.3 per cent (6,632 persons).

The Wholesale and Retail Trade industry ranked second, employing 6,488 persons (10.9 per cent) of the employed labour force. Of this total, 57.1 per cent were male (3,702 persons) and 42.9 per cent female (2,786 persons).

The Accommodation and Food Services Activities industry accounted for 10.0 per cent of total employment (6,120), with a gender distribution of 53.9 per cent male and 46.1 per cent female.

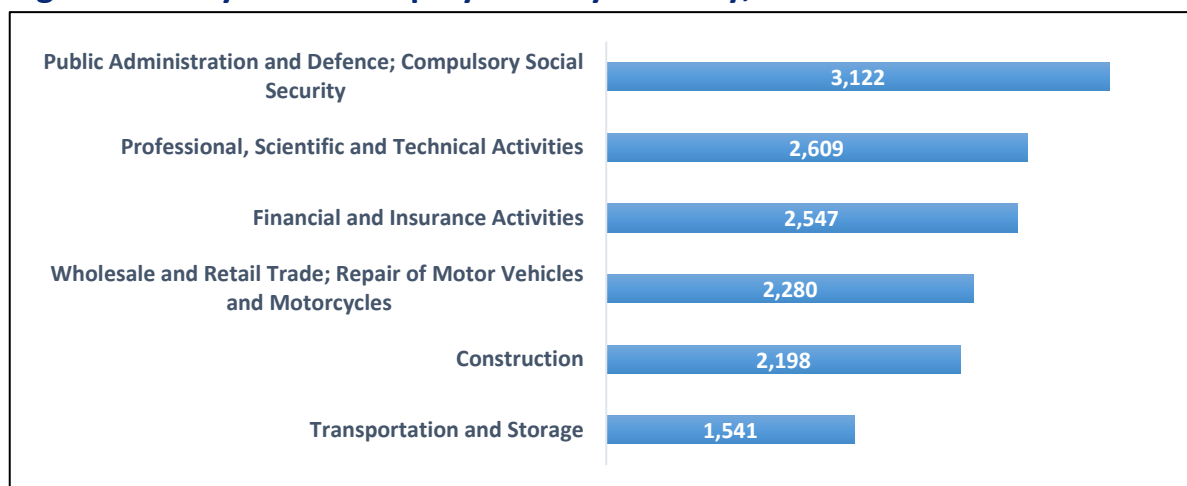
Notably, the top six industries by employment, outlined in Figure 4.0 include some of the most significant and fastest-growing sectors in the economy. This underscores the strong correlation between economic growth and employment, highlighting the substantial impact of economic expansion on the Cayman Islands' labour market.

Figure 4.0. Total Employment by Industry and Sex, 2024



Of the 21,487 employed Caymanians in 2024, the largest share, 14.5 per cent (3,122) worked in the Public Administration and Defence; Compulsory Social Security industry (Figure 4.1). Another 12.1 per cent (2,609) were employed in Professional, Scientific and Technical Activities. This was followed by Financial and Insurance Activities (11.9 per cent), Wholesale and Retail Trade (10.6 per cent), and Construction (10.2 per cent).

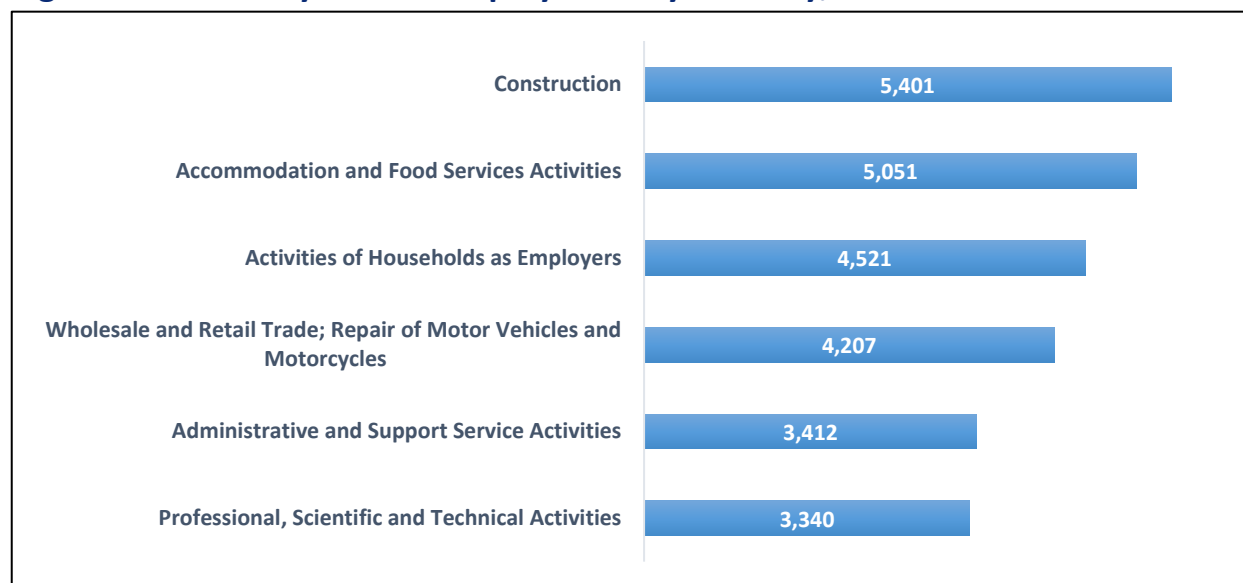
Figure 4.1. Caymanian Employment by Industry, 2024



A total of 37,906 Non-Caymanians was employed in 2024, with the largest share, 14.2 per cent (5,401), working in the Construction industry (Figure 4.2). Additionally, 13.3

per cent were employed in Accommodation and Food Services Activities, 11.9 per cent were employed in Activities of Households as Employers, and 11.1 per cent in Wholesale and Retail Trade; Repair of Motor Vehicles and Motorcycles.

Figure 4.2. Non-Caymanian Employment by Industry, 2024



KILM 5: TIME-RELATED UNDEREMPLOYMENT²

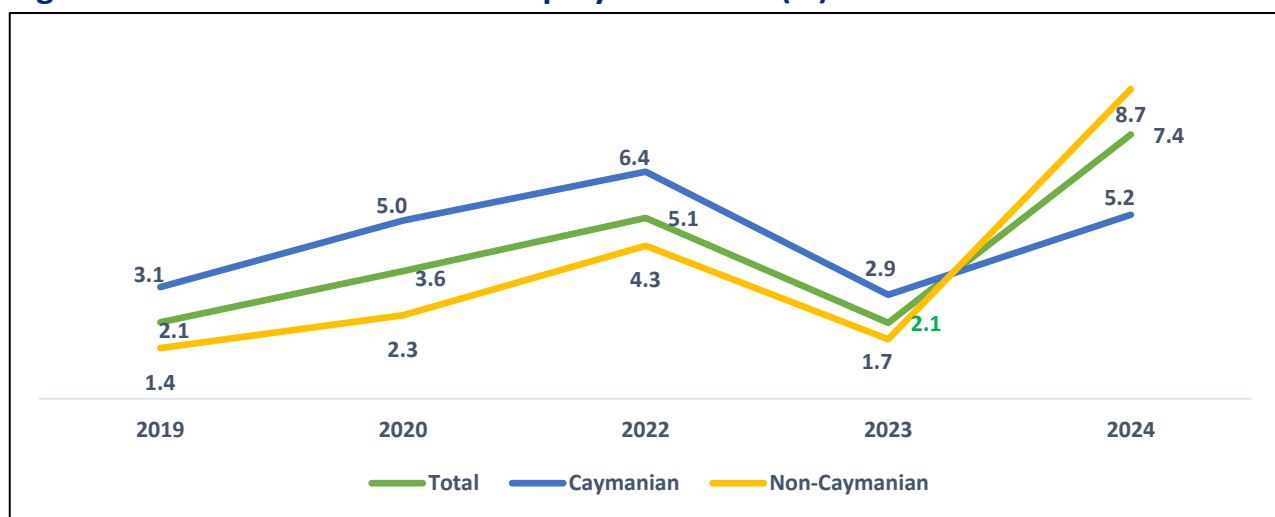
This indicator measures the number of employed persons whose hours of work in the reference period are inadequate to what they are available and willing to work. Time-related underemployment, similar to unemployment, examines the underutilization of the productive capacity of the labour force. The underemployment rate is calculated as the number of persons working less than 30 hours³ per week who are willing and able to work more, expressed as a percentage of the total number of employed persons.

Figure 5.0 presents the underemployment rates for the total population, as well as for Caymanians and Non-Caymanians, across the periods 2019–2020 and 2022–2024. Compared to 2023, total underemployment in 2024 rose significantly to 7.4 per cent (equivalent to 4,403 persons), with Non-Caymanians recording a higher rate of 8.7 per cent (3,294 persons), compared to 5.2 per cent (1,109 persons), for Caymanians. This exceeded the rates observed in 2022 and is largely attributed to a natural disaster that occurred during the survey reference week, which reduced hours worked and consequently led to more individuals being classified as underemployed.

² Data not available for 2021.

³ The standard working hours are specific to the Cayman Islands and may differ in other countries.

Figure 5.0. Time-Related Underemployment Rate (%)



With regard to the Caymanian population, both male and female underemployment rates increased in 2024 to 5.8 per cent (637 persons) and 4.5 per cent (472 persons), respectively (Figure 5.1). Similarly, underemployment rates also rose among Non-Caymanians, with a higher rate recorded for females (9.0 per cent or 1,650 persons) compared to males (8.4 per cent or 1,644 persons) (Figure 5.2).

Figure 5.1. Time-Related Underemployment Rate of Caymanians by Sex (%)

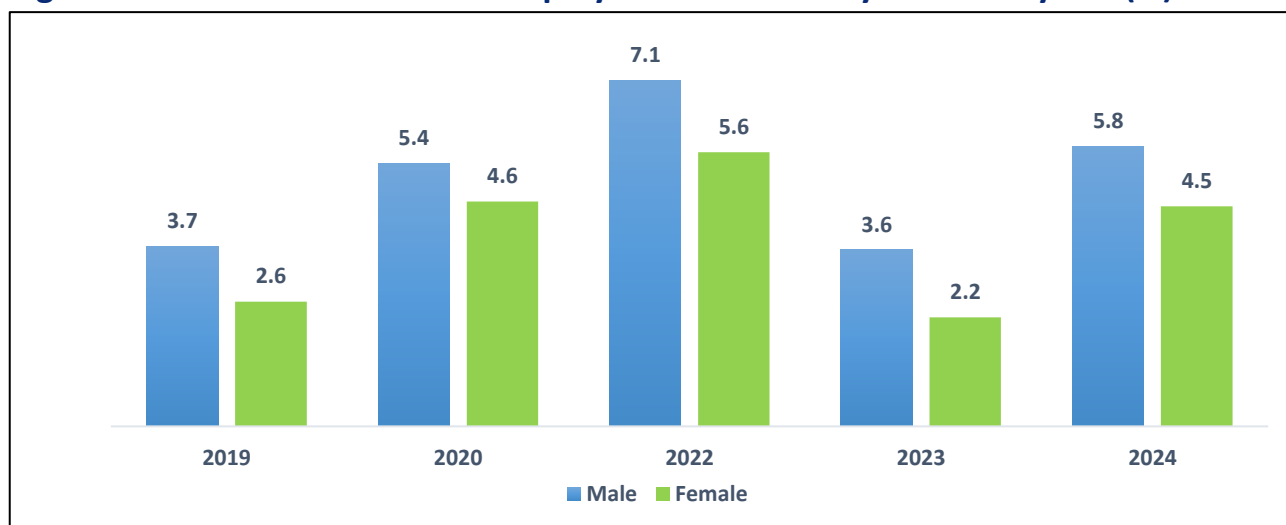


Figure 5.2. Time-Related Underemployment Rate of Non-Caymanians by Sex (%)

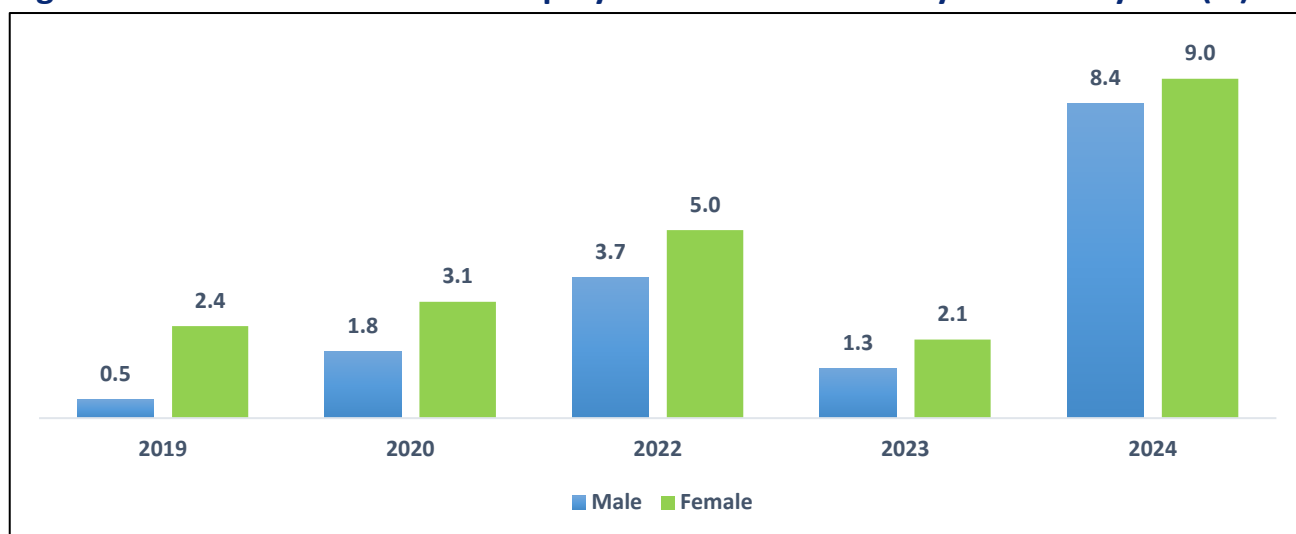
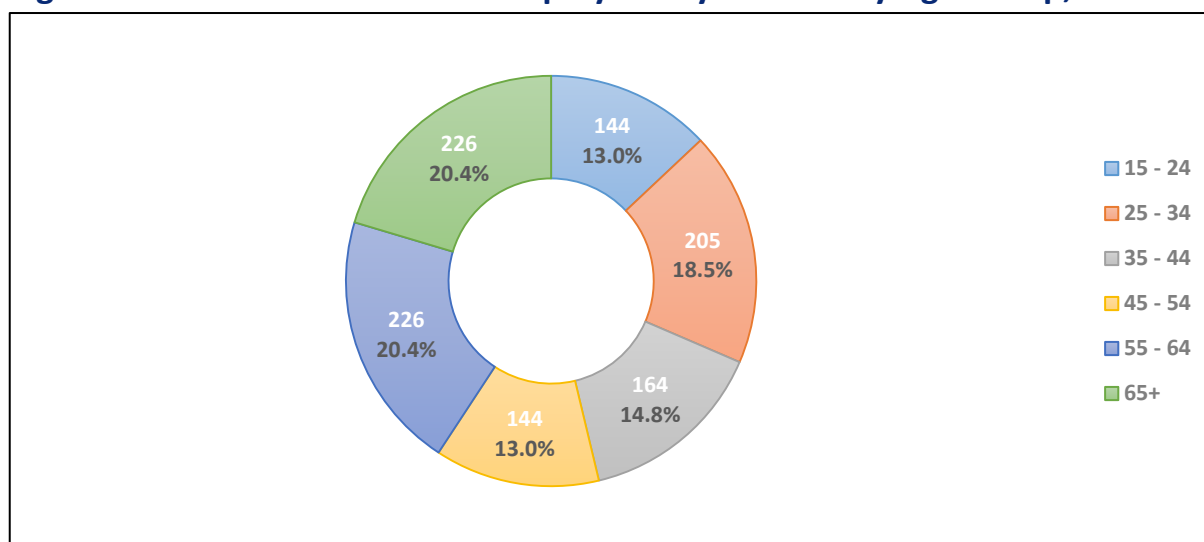


Figure 5.3 shows that underemployment among Caymanians is highest in the 55–64 and 65-and-over age groups, each accounting for 20.4 per cent of the underemployed Caymanian, a combined total of 452 persons. This concentration was largely influenced by individuals who are retired or nearing retirement but continue to work to supplement their income, as well as those facing health or medical limitations. The next-largest share was recorded in the 25–34 age group, which accounted for 18.5 per cent (205 persons).

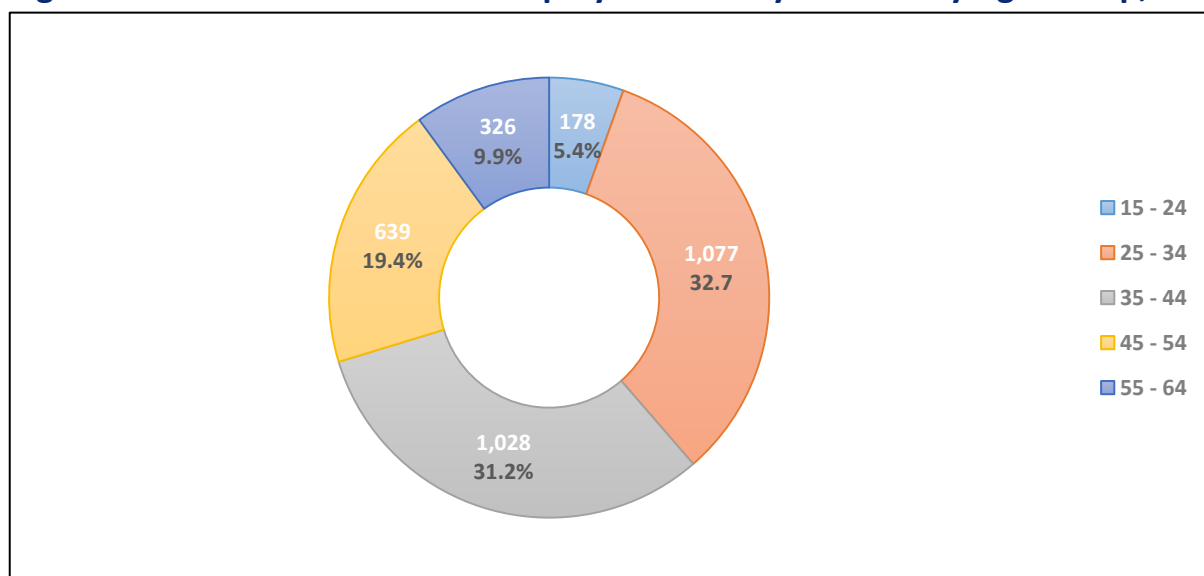
For the Non-Caymanian population, the highest concentration of underemployment was observed in the 25–34 and 35–44 age groups, comprising 32.7 per cent (1,077 persons) and 31.2 per cent (1,028 persons), respectively (Figure 5.4). An additional 19.4 per cent (639 persons) of underemployed Non-Caymanians were aged 45–54.

Figure 5.3. Time-Related Underemployed Caymanians by Age Group, 2024



Totals may not add up to 100 per cent due to rounding or don't know responses.

Figure 5.4. Time-Related Underemployed Non-Caymanians by Age Group, 2024

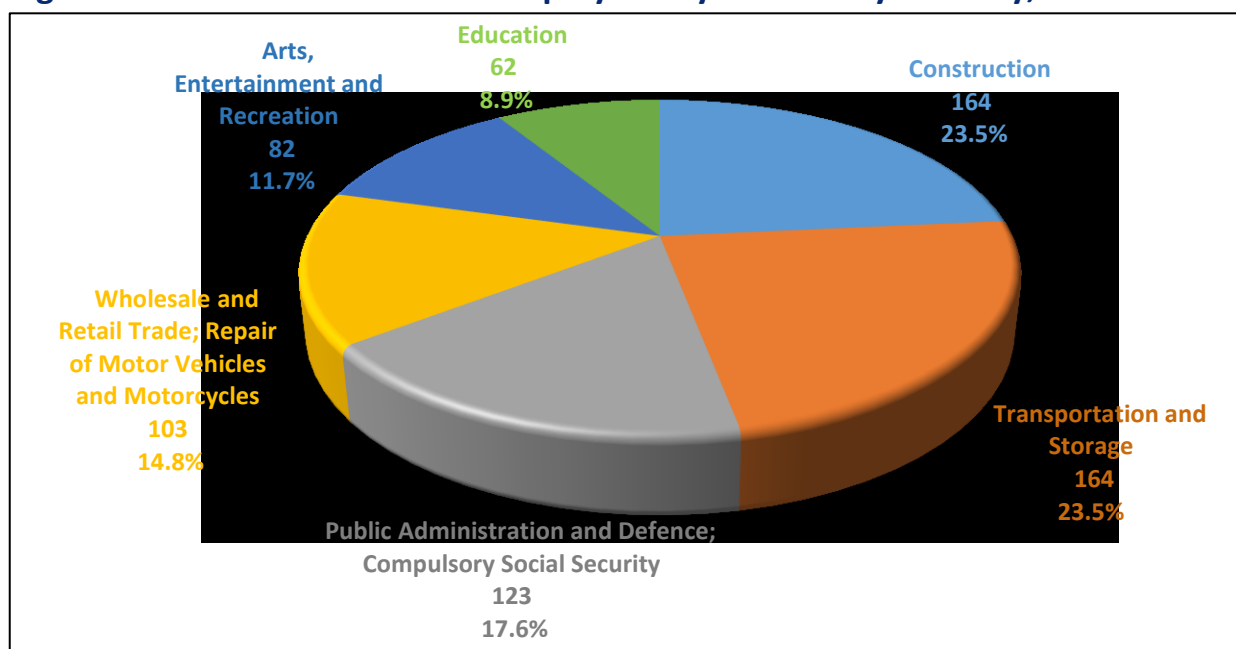


Totals may not add up to 100 per cent due to rounding or don't know responses

The majority of underemployed Caymanians were employed in the Construction and Transport and Storage industries, each accounting for 23.5 per cent (164 persons) of the underemployed population (Figure 5.5). Other notable industries employing underemployed Caymanians included:

1. Public Administration and Defence; Compulsory Social Security
2. Wholesale and Retail Trade; Repair of Motor Vehicles and Motorcycles
3. Arts, Entertainment and Recreation
4. Education.

Figure 5.5. Time-Related Underemployed Caymanians by Industry, 2024



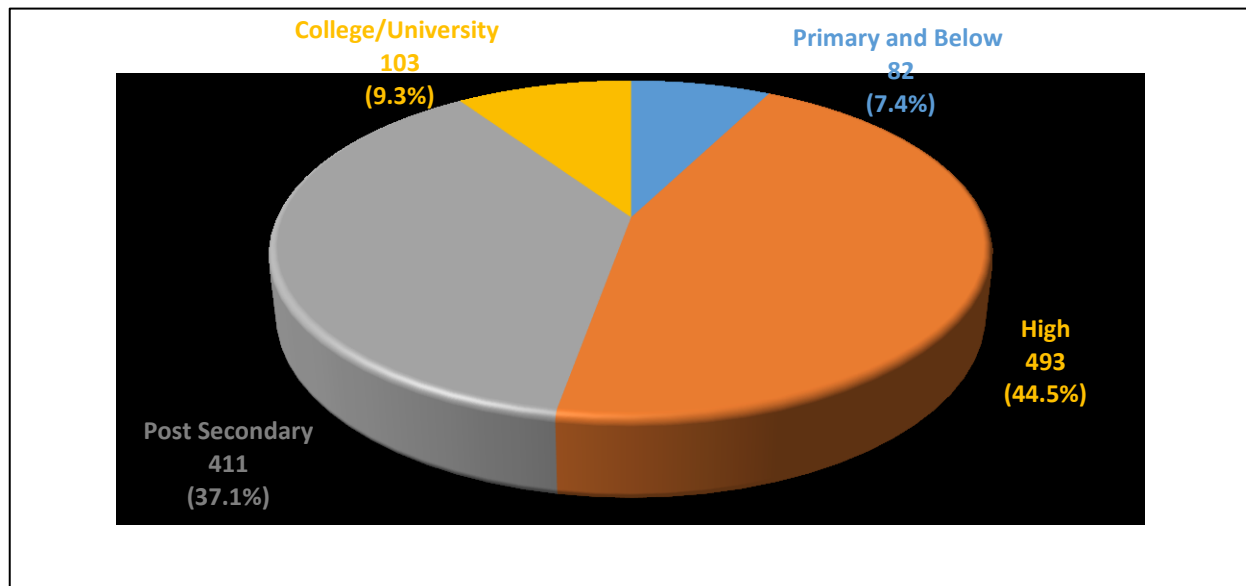
Totals may not add up to 100 per cent due to rounding or don't know responses.

Of the 1,109 underemployed Caymanians, the largest share, 44.5 per cent (493 persons), had attained a high school level education, followed by post-secondary education at 37.1 per cent (411 persons). In contrast, only 9.3 per cent (103 persons) of the underemployed held a college or university qualification, and 7.4 per cent (82 persons) had an education level of primary or below (Figure 5.6).

This pattern suggests that individuals with only high school or post-secondary education are more vulnerable to underemployment, particularly in roles offering part-time or inconsistent hours. While 78.0 per cent of the employed labour force felt their qualifications matched their current jobs, many, particularly Caymanians, still expressed a desire for roles more closely aligned with their background. This not only

highlights broader structural challenges in the labour market but also underscores the importance of advancing one's education to improve employment prospects.

Figure 5.6. Time-Related Underemployed Caymanians by Educational Attainment, 2024



Totals may not add up to 100 per cent due to rounding or don't know responses.

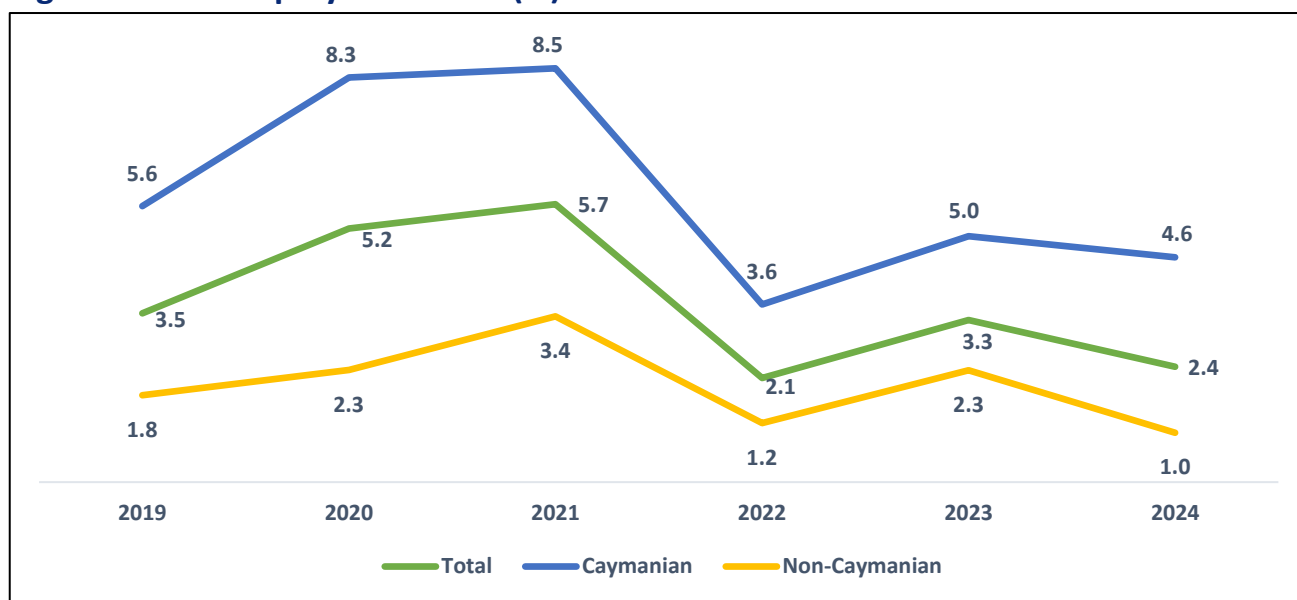
KILM 6: UNEMPLOYMENT

The unemployment rate is defined as the proportion of the labour force that is without work but available for and seeking employment within a specified reference period. The unemployment rate, often the most widely reported and closely monitored labour market indicator, helps to provide insight into the composition of the jobless population. By analyzing characteristics such as sex, education level, and age, policymakers can have more targeted unemployment interventions and develop more effective labour market policies.

A low unemployment rate generally indicates a healthy labour market, where most individuals who want to work are able to find jobs. It may reflect strong economic performance, high demand for labour, and greater income security for households. However, low unemployment can also signal potential challenges, such as labour shortages in key industries or upward pressure on wages.

Over the past six years, the Cayman Islands' unemployment rate has experienced notable fluctuations. The overall (total) unemployment rate increased from 3.5 per cent (1,695 persons) in 2019 to a peak of 5.7 per cent (2,769 persons) in 2021, largely due to the adverse economic impacts of the COVID-19 pandemic. It then dropped sharply to 2.1 per cent in 2022, reflecting a strong recovery in the labour market. In 2023, the total unemployment rate was 3.3 per cent, before declining further to 2.4 per cent (1,435 persons) in 2024. This included an unemployment rate of 4.6 per cent (1,048) among Caymanians and 1.0 per cent (387) among Non-Caymanians, signalling continued improvement in employment conditions across the Islands.

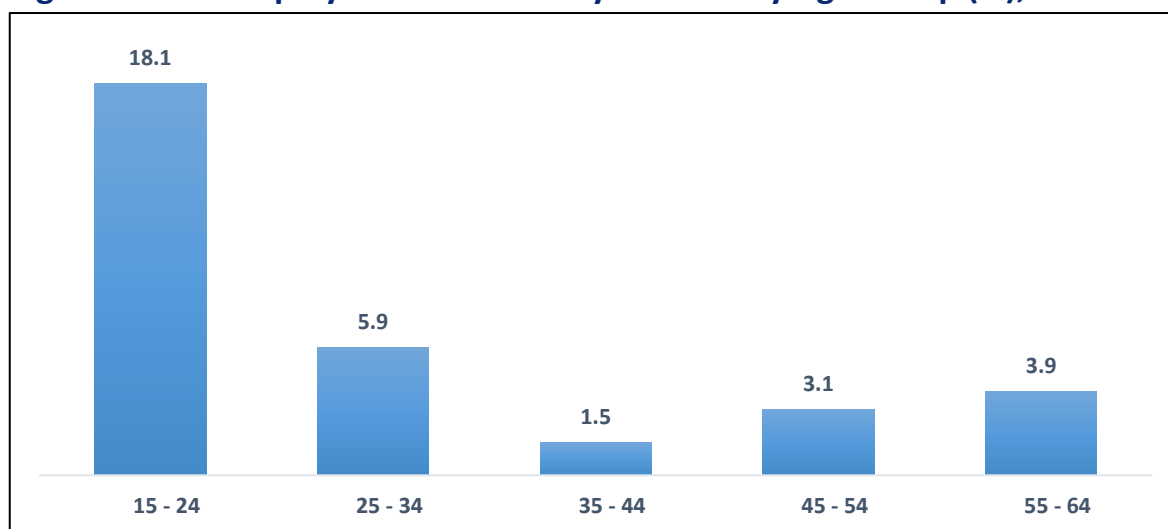
Figure 6.0. Unemployment Rate (%)



In 2024, the youth unemployment rate, persons aged 15-24 years, stood at 12.2 per cent (420 persons). This was largely driven by unemployment among Caymanians, who accounted for 390 of those unemployed, representing a youth unemployment rate of 18.1 per cent for that group (Figure 6.1).

In contrast, unemployment was lowest among individuals aged 35-44 years (62 persons).

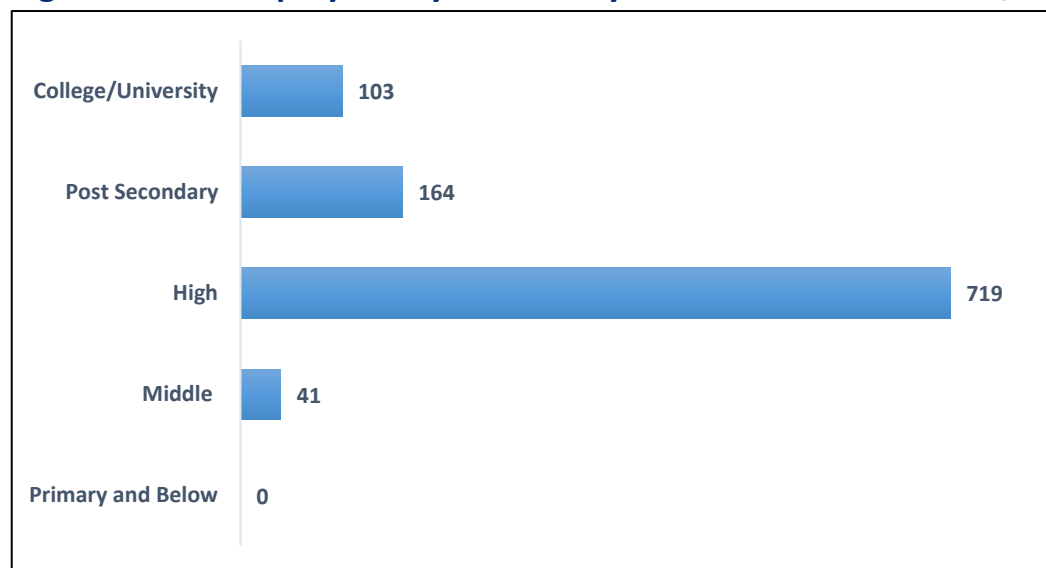
Figure 6.1. Unemployment Rate of Caymanians by Age Group (%), 2024



Caymanians with high school qualifications accounted for the largest share of unemployment, totaling 719 persons. This was followed by 267 unemployed Caymanians with college/university degrees or other post-secondary qualifications (Figure 6.2). Overall, 90.0 per cent of unemployed Caymanians had qualifications below the college/university level, highlighting the importance of improving educational attainment to enhance employment prospects and overall quality of life.

The majority of unemployed individuals (596 persons) cited "no work availability" as the main reason for their unemployment, while 144 persons reported being students or in training. Other reasons included home or family responsibilities, medical issues, and discouragement from continued job searching (that is being tired of looking for work).

Figure 6.2. Unemployed Caymanians by Educational Attainment, 2024



KILM 7: PERSONS NOT IN THE LABOUR FORCE

Persons not in the labour force, formerly the economically inactive population, are those individuals who are neither employed nor unemployed, that is, not actively seeking work. They include retirees, full-time students, sick or disabled persons, persons taking care of family members at home, and discouraged jobseekers who believe no jobs are available or who have lost interest in working. **The inactivity rate is the proportion of the working-age population who are not in the labour force.**

While a high inactivity rate may indicate barriers to employment, such as lack of skills or job opportunities, for certain population groups, such as youth and elderly, it should not necessarily be viewed as “bad”. A low rate suggests greater workforce engagement.

At 2024, a total of 14,479 persons were not in the labour force, an increase of 2,188 compared to 2023. This total comprised 10,579 Caymanians and 3,900 Non-Caymanians (Figure 7.0).

During the review period, the total inactivity rate in the Cayman Islands ranged from a low of 16.9 per cent to a high of 19.6 per cent (Figure 7.0). In 2024, the rate stood at 19.2 per cent up from 16.9 per cent in 2023. This increase was primarily driven by a rise in the inactivity rate among Caymanians, which reached 31.9 per cent (an increase of 1,626 persons), compared to 9.2 per cent among Non-Caymanians (an increase of 562 persons).

Throughout the period, females consistently recorded higher inactivity rates across both Caymanians and Non-Caymanians (Figures 7.1 and 7.2). The highest inactivity rates were observed among individuals aged 15–24 years and 65 years and over, reflecting the large number of students and retirees not participating in the labour force.

Figure 7.0. Inactivity Rate (%)

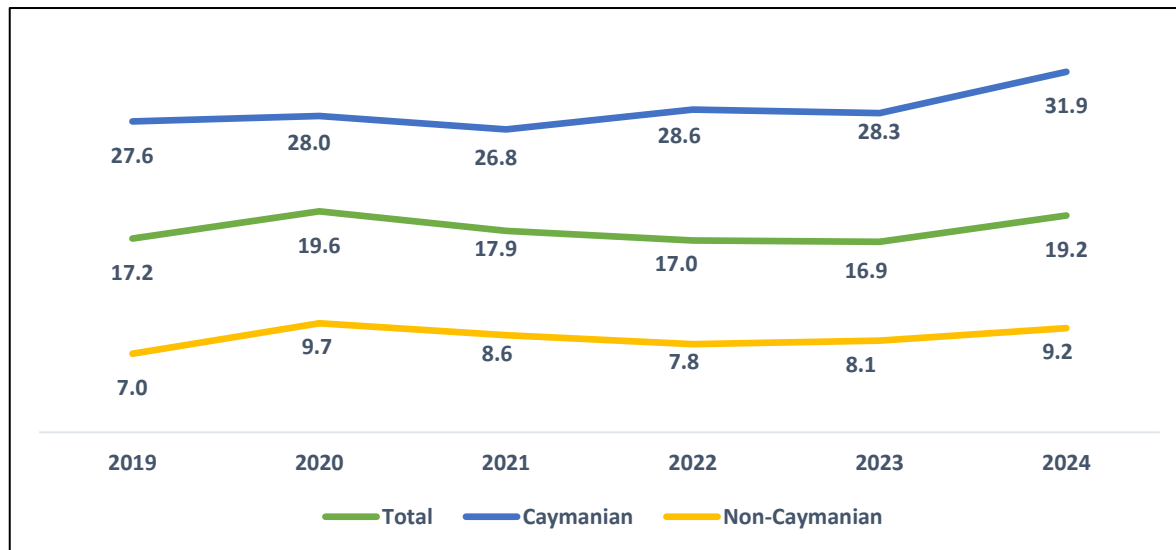


Figure 7.1. Inactivity Rate of Caymanians by Sex (%)

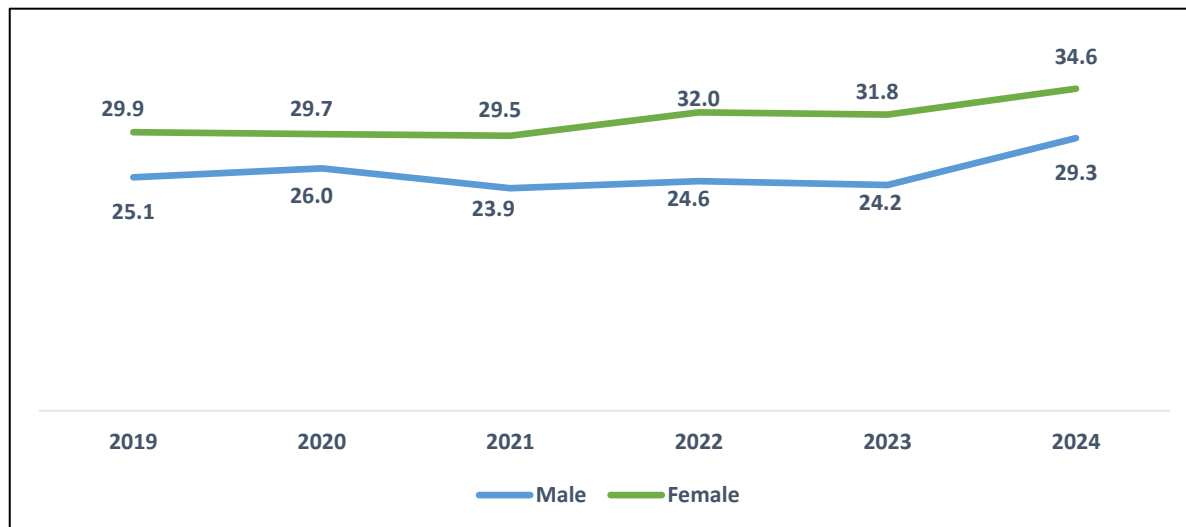
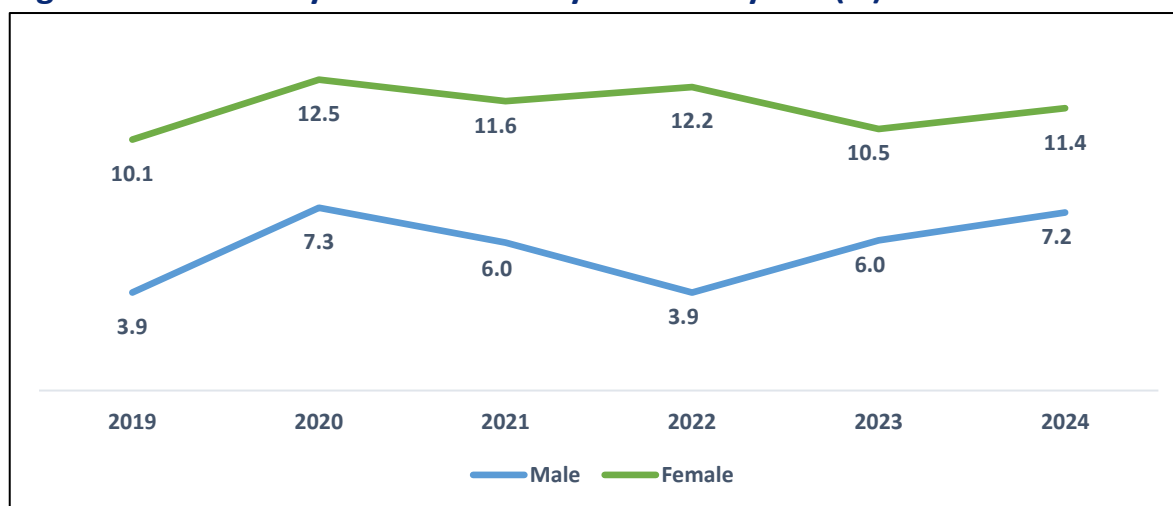
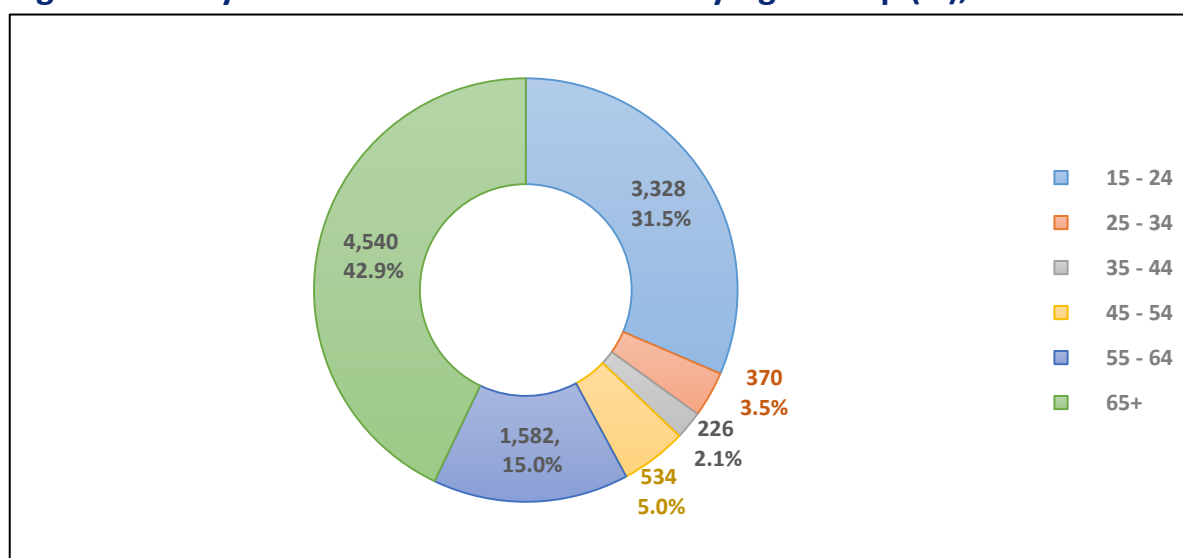


Figure 7.2. Inactivity Rate of Non-Caymanians by Sex (%)



There were 4,540 elderly Caymanians (42.9 per cent) and 3,328 Caymanians aged 15–24 (31.5 per cent) who were not in the labour force (Figure 7.3). This reinforces the fact that retirees and full-time students comprise the majority of Caymanians outside the labour force. Other reasons cited for not seeking employment included home or family responsibilities, medical conditions, disability, unavailability of work, and lack of interest in working.

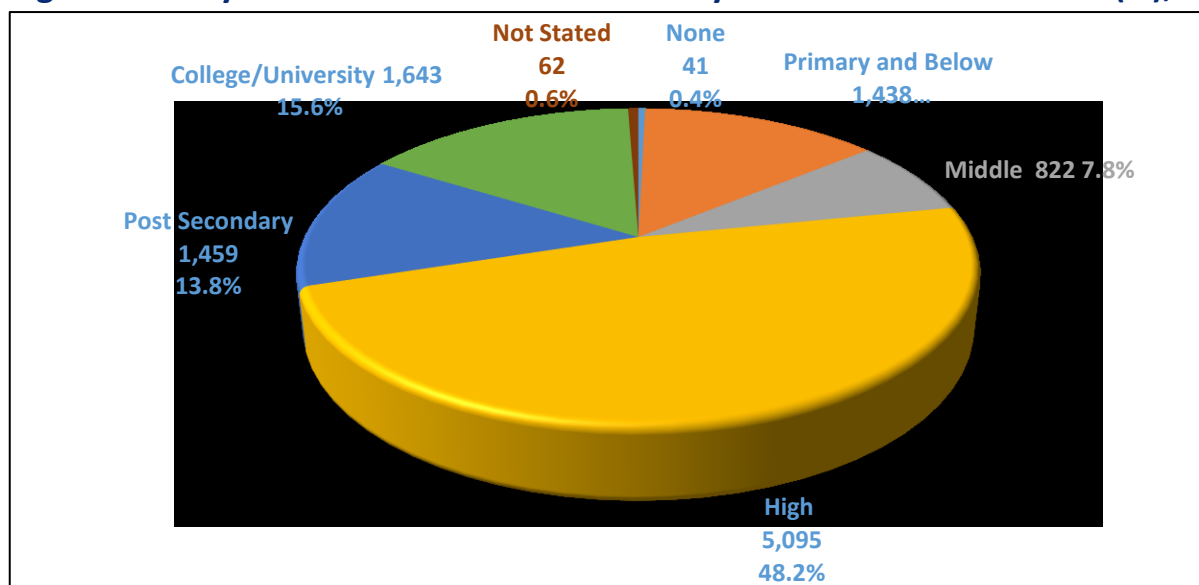
Figure 7.3. Caymanians Not in Labour Force by Age Group (%), 2024



Totals may not add up to 100 per cent due to rounding or don't know responses

Of the Caymanians classified as ‘not in the labour force’, 48.2 per cent (5,095 persons) held a high school diploma, while 15.6 per cent (1,643 persons) had attained a college or university-level education (Figure 7.4). It is noteworthy, however, that of the 10,560 persons not seeking employment, 3,246 were either students or currently in training.

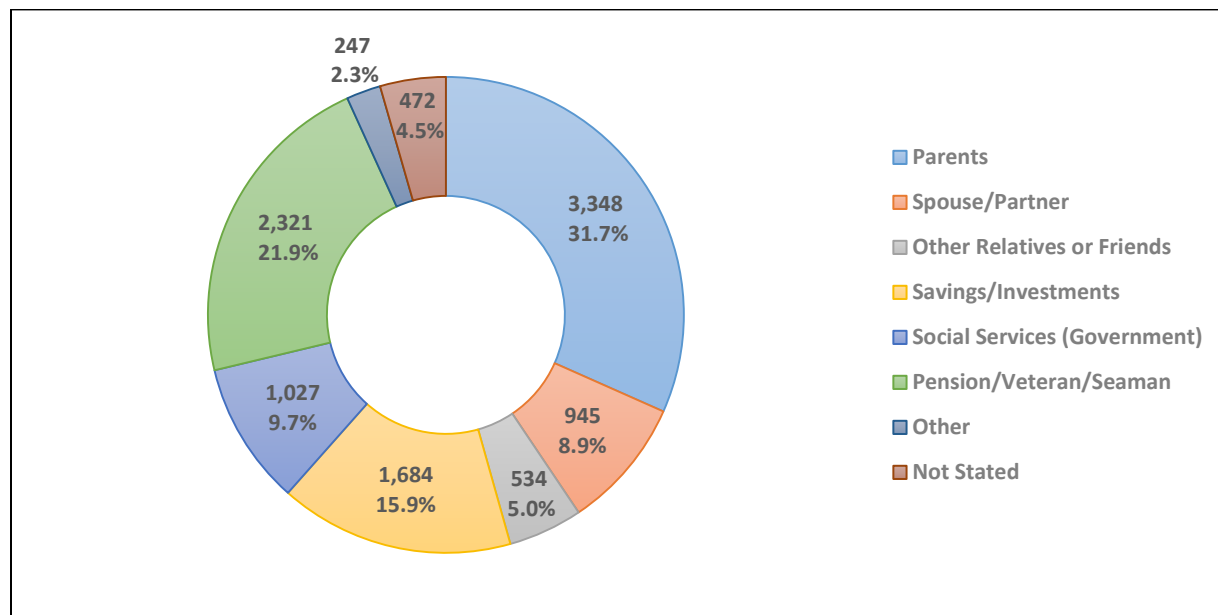
Figure 7.4. Caymanians Not in Labour Force by Educational Attainment (%), 2024



Totals may not add up to 100 per cent due to rounding or don't know responses

Majority of Caymanians not in the labour force relied on support from parents (31.7 per cent), pensions or veteran/seaman benefits (21.9 per cent), and personal savings or investments (15.9 per cent) as their main sources of financial support (Figure 7.5). Together, these three categories accounted for nearly 70 per cent of financial support, highlighting the reliance on family and long-term financial resources among those outside the labour force.

Figure 7.5. Caymanians Not in Labour Force by Main Means of Financial Support (%), 2024



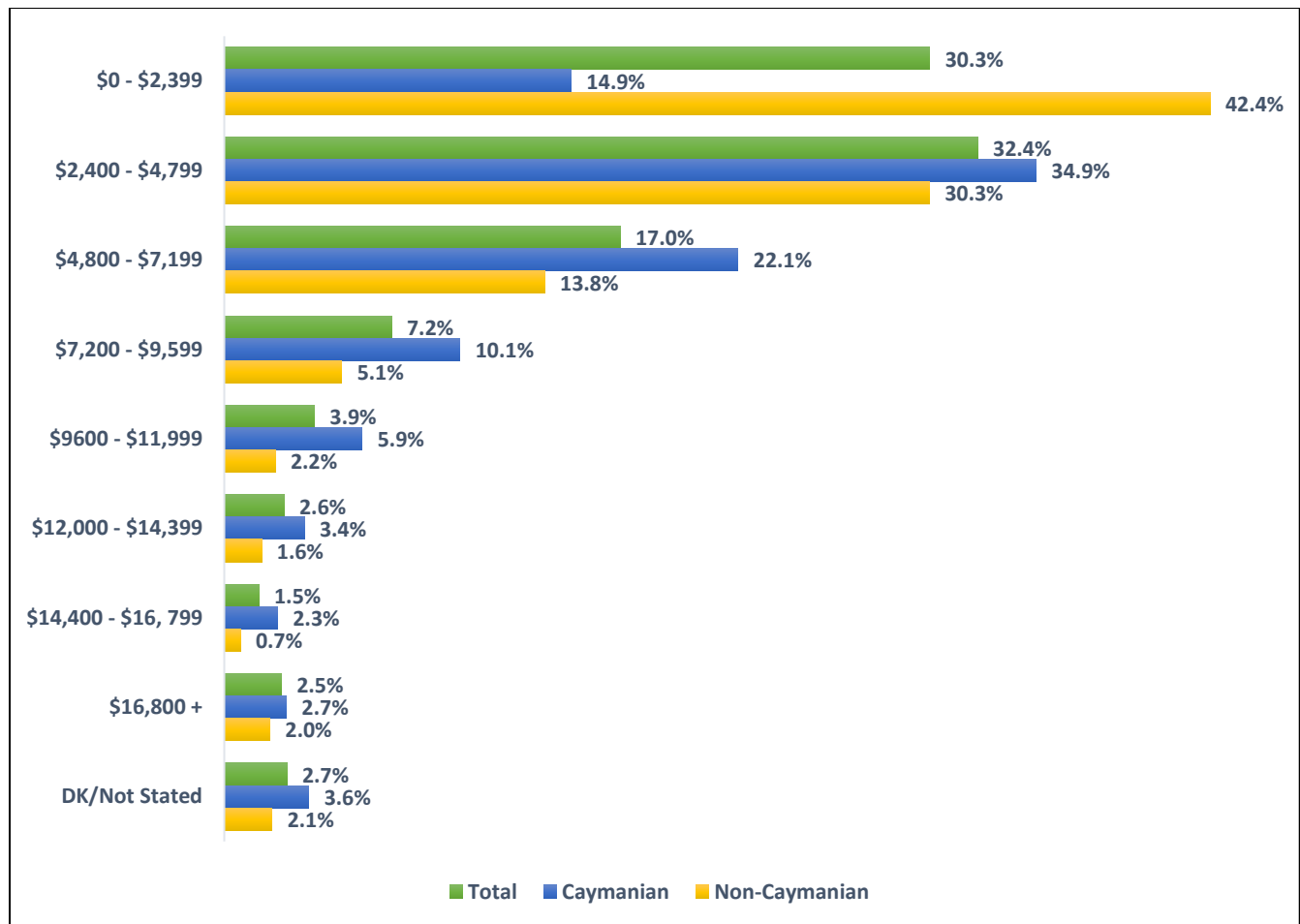
Totals may not add up to 100 per cent due to rounding or don't know responses

KILM 8: EARNINGS

Earnings refer to the wages and salaries of employees and not the full compensation costs incurred by employers associated with employment. This therefore, excludes social benefits, services and facilities (such as housing and training) paid by employers to their employees. This indicator, measured in real terms, provides a useful measure of the purchasing power of persons, which gives an indication of the standard of living of the population. It can also capture whether economic growth is translating into better living standards for all segments of society, that is, if there is evidence of income inequality.

Figure 8.0 highlights significant differences in monthly earnings between Caymanians and Non-Caymanians in 2024. A large proportion of Non-Caymanians (42.4 per cent) earned within the lowest income bracket of \$0–\$2,399, compared to only 14.9 per cent of Caymanians. In contrast, the majority of Caymanians (34.9 per cent) earned between \$2,400 and \$4,799 per month. Caymanians also had higher representation in the mid-income brackets (\$4,800–\$7,199 and \$7,200–\$9,599), suggesting better earning potential overall. Meanwhile, Non-Caymanians were underrepresented in higher-income categories, indicating a concentration in lower-paying jobs or roles.

Figure 8.0. Monthly Earnings, 2024



KILM 9: LABOUR PRODUCTIVITY

Labour Productivity is defined as output per unit of labour input (employed persons or hours worked). This indicator measures the efficiency with which inputs are used to produce goods and services in an economy.

Labour productivity indicators are valuable tools for informing the design and evaluation of labour market policies. For instance, high labour productivity often reflects advanced levels of human capital, which may signal the need for targeted education and training policies. Additionally, productivity trends can help assess the impact of wage settlements on inflation. Moreover, labour productivity, when combined with other social and economic indicators, can serve as a useful proxy for evaluating overall living standards.

In 2023, labour productivity in the Cayman Islands rose to \$86,000 per worker, an improvement over 2022, though still below the 2020 peak of \$103,000 (Figure 9.0). This increase occurred in the context of simultaneous growth in both GDP and the employed labour force, signaling improved economic efficiency and a greater output per worker.

The gains were largely driven by high-performing sectors, with Real Estate; and Water, Sewerage and Waste Management industries recording the highest productivity levels at \$586,000 and \$407,000 per worker, respectively (Figure 9.1). These trends not only reflect improved use of labour inputs but also underscore the importance of industry-specific strengths in shaping national productivity outcomes.

Figure 9.0. Labour Productivity (CI\$ 000 per Worker)⁴

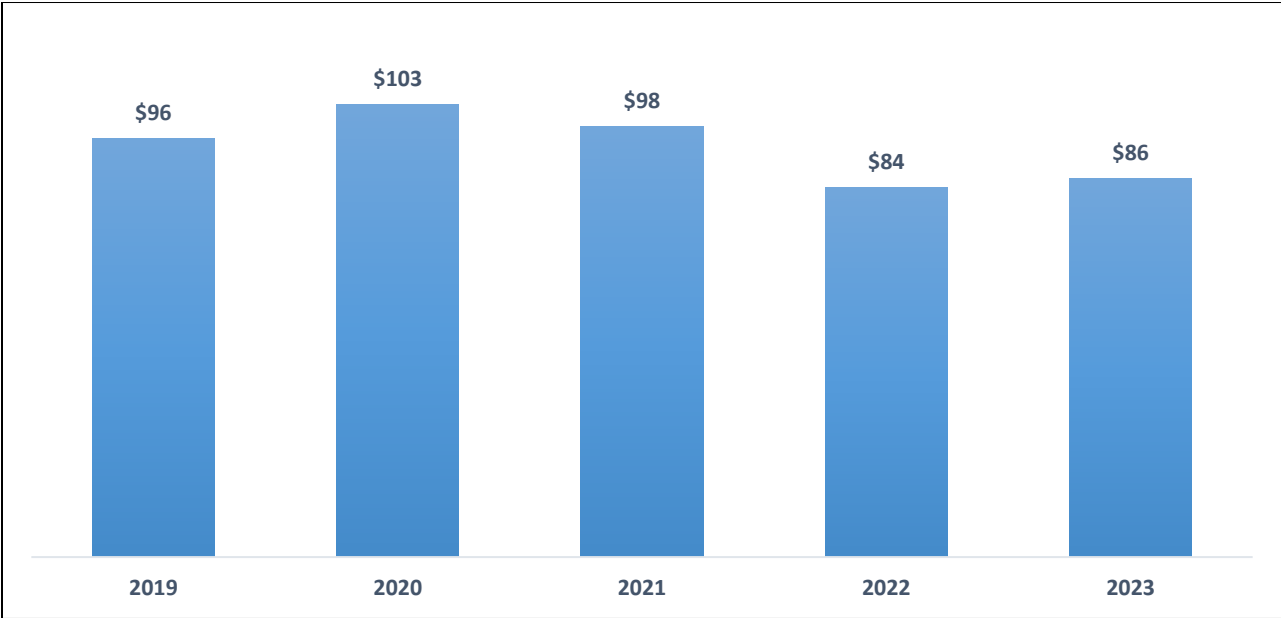


Figure 9.1. Labour Productivity by Industry (CI\$ 000 per Worker), 2023



⁴ 2024 GDP is not yet available.

Key Findings

The Cayman Islands' labour market remains strong, with a high labour force participation rate (albeit marginally lower than the previous year) and low overall unemployment. However, challenges persist, including declining Caymanian workforce engagement and rising underemployment.

✓ **KILM 1: Labour Force Participation Rate (LFPR)**

In 2024, the Cayman Islands maintained a high LFPR of 80.8 per cent, driven by Non-Caymanians (90.8 per cent) compared to 68.1 per cent for Caymanians. The labour force grew to 60,828, with the increase in Non-Caymanian participation offsetting a decline among Caymanians.

The highest LFPR was among those aged 35–44, while the lowest rates were observed in the 15–24 and 65 and over age groups. Notably, LFPRs for Caymanians males and females, fell to their lowest levels in six years, underscoring the need for renewed focus on local workforce engagement.

✓ **KILM 2: Employment-to-Population Ratio**

There were 59,393 employed persons in 2024, an increase of 889 from 2023. Despite this growth, the employment-to-population ratio declined slightly to 78.9 per cent, down from a peak of 81.2 per cent in 2022, indicating a softening in labour market engagement. Caymanians experienced a sharper decline, with their ratio falling to 64.9 per cent from 68.1 per cent in 2023, while Non-Caymanians maintained stronger employment outcomes. Across both groups, males consistently had higher employment ratios than females.

Notably, Non-Caymanian females saw their employment-to-population ratio rise to 87.3 per cent, likely supported by job growth in female-dominated sectors such as health care and domestic work. The highest employment ratios were in the 35–44 age group, at 93.4 per cent for Caymanians and 94.8 per cent for Non-Caymanians,

while older age groups (55–64 for Caymanians and 65+ for both groups) showed notable declines, suggesting earlier retirement trends among Caymanians.

✓ **KILM 3: Status in Employment**

91.2 per cent of the employed labour force in the Cayman Islands were employees, while 8.3 per cent were self-employed, reflecting a stable employment structure over the past six years. Non-Caymanians dominated the employee category, comprising 67.8 per cent of wage and salaried workers. Conversely, Caymanians accounted for the majority of self-employed individuals, making up 79.6 per cent of that group. This distribution indicates a modest level of entrepreneurship among Caymanians and a labour market largely driven by salaried employment, characteristic of a relatively advanced and formal economy.

✓ **KILM 4: Employment by Industry:**

For 2024, the Cayman Islands' labour market was primarily driven by the services sector, with Construction (Goods-producing industry) as the largest employer (12.8 per cent), followed by Wholesale and Retail Trade (10.9 per cent) and Accommodation and Food Services Activities (10.0 per cent). Caymanians were predominantly employed in Public Administration (14.5 per cent), while Non-Caymanians mainly worked in Construction (14.2 per cent). These employment patterns highlight a strong link between economic growth and labour demand across key industries.

✓ **KILM 5: Time-Related Underemployment**

Time-related underemployment in the Cayman Islands rose to 7.4 per cent in 2024, partly driven by a natural disaster that reduced working hours. Non-Caymanians experienced higher rates of underemployment (8.7 per cent) compared to Caymanians (5.2 per cent), with Non-Caymanian women being the most affected. Among Caymanians, the number of underemployed persons were concentrated in the older age groups (55–64 and 65 and over) and in sectors such as Construction and Transport, while Non-Caymanians were primarily affected in the 25–34 and

35–44 age groups. Individuals with high school or post-secondary education were more likely to be underemployed, underscoring ongoing skills mismatches and limited access to full-time, stable employment for segments of the workforce.

✓ **KILM 6: Unemployment**

The unemployment rate for 2024 fell to 2.4 per cent (1,435 persons), continuing the post-pandemic recovery trend. However, disparities remain, as Caymanians faced a significantly higher unemployment rate of 4.6 per cent, compared to 1.0 per cent for Non-Caymanians. Youth unemployment was particularly elevated at 12.2 per cent, driven largely by an 18.1 per cent rate among young Caymanians.

Most unemployed Caymanians (760 out of 1,048 persons) had high school or lower qualifications, highlighting the continued influence of education on employment outcomes. The primary reason cited for unemployment was a lack of job availability, followed by studying, family obligations, and discouragement from job searching. While low overall unemployment signals labour market strength, the data point to persistent challenges for Caymanians, especially among youth and those with lower educational attainment.

✓ **KILM 7: Persons Not in the Labour Force**

14,479 persons were not in the labour force, with Caymanians accounting for the majority (10,579). The inactivity rate rose to 19.2 per cent, up from 16.9 per cent in 2023, driven primarily by an increase among Caymanians, whose inactivity rate reached 31.9 per cent. Inactivity was most common among youth (15–24) and seniors (65 and over), reflecting the large number of full-time students and retirees. While females consistently recorded higher inactivity rates, the main reasons cited for not seeking work across the population included caregiving responsibilities, medical conditions, and lack of interest in employment. Most Caymanians outside the labour force held high school-level qualifications and relied on family support, pensions, or savings as their primary sources of income.

✓ **KILM 8: Earnings**

Caymanians generally earned more than Non-Caymanians. While 42.4 per cent of Non-Caymanians earned less than \$2,400, the majority of Caymanians earned between \$2,400 and \$4,799, with greater representation in the higher income brackets. This income disparity reflects the concentration of Non-Caymanians in lower-paying jobs, largely due to their greater employment in labour-intensive industries such as Construction, Tourism, and Wholesale and Retail Trade.

✓ **KILM 9: Labour Productivity**

Labour productivity for 2023 increased to \$86,000 per worker, reflecting greater economic efficiency alongside GDP and employment growth. This improvement was driven by high-performing sectors such as Real Estate; and Water, Sewerage and Waste Management, underscoring the critical role of industry-level productivity in overall economic performance. From a fiscal perspective, rising productivity can ease pressure on government spending by boosting business profitability and wage growth. This creates more fiscal space for investments in infrastructure, education, and social services, while also reducing the need for social welfare support as employment and incomes improve. These trends highlight the importance of labour productivity in shaping economic policy, wage dynamics, and overall living standards.

Labour Market Outlook

As 2025 progresses, the global labour market remains under strain from structural weaknesses, persistent inequality, and continued geopolitical and economic uncertainty. While headline indicators, such as unemployment and labour force participation, appear broadly stable, deeper challenges such as stagnant wages, high informality, and low productivity continue to hinder inclusive and sustainable employment growth.

According to the ILO's World Employment and Social Outlook Trends 2025 urgent reforms are needed to improve job quality, close employment gaps, and unlock the full potential of green and digital transitions.

Unemployment Remains Elevated Amid Weak Job Creation

Despite technological advancements, including widespread AI adoption, labour productivity growth remains stagnant, particularly in labour-intensive and low-wage sectors, due to:

- Advanced economies are seeing a softening in labour demand due to subdued growth, high interest rates and structural shifts such as automation and AI adoption,
- Emerging and developing economies (EMDEs) continue to experience labour force growth, but job creation remains insufficient, especially for youth and women, who are overrepresented in low-quality or informal jobs.

According to the International Monetary Fund (IMF), global GDP is projected to grow by 3.0 per cent in 2025, with advanced economies slowing to 1.5 per cent and EMDEs expected to grow by 4.1 per cent. However, this growth is not expected to translate into sufficient employment gains, largely due to persistent productivity and structural constraints.

Inflation Has Eased, But Real Wage Recovery Remains Uneven

Global headline inflation is expected to decline to 4.2 per cent in 2025 and 3.6 per cent in 2026. Although easing inflation has brought some relief to consumers, especially in advanced economies, real wages have only partially recovered, and income inequality persists.

Participation and Inclusion Challenges Persist

The global labour force participation rate remained at 61.0 per cent in 2024, temporarily halting a long-term decline in participation. However, this stability masks underlying issues. The participation rate is projected to decline slightly to 60.4 per cent in 2025, continuing its broader downward trend.

Key drivers of this trend include population ageing, care responsibilities (especially among women), structural barriers to labour market entry, and jobseeker discouragement. While some lower-middle-income countries have seen modest recoveries in participation, the inclusion of youth and women remains weak and uneven across regions.

Productivity Growth Is Stagnating

Despite technological advancements, including widespread AI adoption, labour productivity growth remains stagnant, particularly in labour-intensive and low-wage sectors, due to:

- Limited diffusion of innovations outside high-tech industries,
- Structural constraints in sectors such as healthcare, retail, transport, and construction,
- And the inability of small and medium-sized firms to scale.

This creates a vicious cycle of low innovation, precarious work conditions, and high turnover.

Green and Digital Transitions: Opportunities Rising, But Gaps Persist

The green economy offers job opportunities in renewable energy, low-carbon transport, and energy-efficient construction, but gains are concentrated in high-income countries with strong policies and investment.

Digital transformation is growing, especially in platform work, e-commerce, remote services, and AI adoption. Yet, the digital labour market remains fragmented as:

- Many platform and gig jobs are informal and lack protection;
- Digital inequality is high in low-income and rural areas;
- Career mobility and upskilling are limited, especially in EMDEs.

To unlock digitalization’s full potential, countries must invest in skills, fair labour regulations, and digital infrastructure. Without inclusive policies, large parts of the workforce, especially youth, women, and informal workers, risk being left behind.

Cayman Islands’ (2025-2027)

Despite global volatility, the Cayman Islands’ labour market outlook remains positive, with low unemployment, moderate inflation, and stable GDP growth projected over the medium term.

ESO Economic Forecast (%)			
Economic Indicators	2025	2026	2027
<i>GDP Growth</i>	2.6	2.1	2.5
<i>Inflation</i>	2.5	3.1	2.4
<i>Unemployment</i>	2.8	2.9	2.7

- Unemployment is projected to remain well below global levels, reflecting sustained demand in key sectors.
- Inflation is expected to stay moderate, supporting real incomes and consumer confidence.

-
- While GDP growth is expected to decelerate slightly in 2026, overall economic momentum is forecast to remain stable through 2027.

✓ **Strategic Opportunities for Cayman**

In light of global trends, the Cayman Islands can position itself inclusive and future-ready employment by investing in:

- Digital infrastructure and workforce upskilling,
- Climate-resilient and green economy development, and
- Youth and underemployed workforce inclusion initiatives.

While both global and local labour markets continue to navigate a period of economic stabilization and technological transformation, the Cayman Islands also face deeper systemic challenges, including underemployment, structural inefficiencies, and cultural workforce constraints. Despite being relatively insulated from some global pressures, the Cayman Islands must remain proactive in strengthening workforce resilience, enhancing productivity, and fostering inclusive growth to ensure that all segments of the population benefit from the evolving global economy.

Recommendations

To develop and sustain a strong, globally competitive economy, the Cayman Islands must build a skilled, adaptive, and inclusive workforce. Using the analysis and findings from this report, along with insights from previous national initiatives, research, other reports and international best practices, the following integrated recommendations are proposed under three key strategic pillars:

✓ Enhancing Workforce Participation and Employment Opportunities

A productive workforce begins with broad and equitable participation. To increase Caymanian engagement, particularly among youth and the underemployed, the following actions are recommended:

- **Establish a coordinated national approach to workforce development** through a multisector taskforce that aligns efforts to address current and emerging labour market needs, ensuring initiatives are responsive, inclusive, and results-driven.
- **Provide enabling services**, such as affordable childcare and eldercare, to remove barriers to labour force participation.
- **Review the structure of unemployment benefits and minimum wage**, ensuring that welfare policies incentivize work while protecting vulnerable groups.
- **Launch public awareness campaigns** that highlight viable career pathways, government support programmes, and entrepreneurship opportunities, especially for Caymanian youth.
- **Provide increased support to Caymanian entrepreneurship** with targeted government grants, microfinance, and training to promote self-employment and local innovation.

✓ **Promoting Economic Diversification and Skills Development**

Labour market resilience depends on strategic diversification and continuous skills development. The following should be prioritized:

- **Develop sector-specific training, upskilling and employment pathways in high-growth sectors** such as Information, Communication and Technology (ICT), healthcare, and finance, supported by enhanced access to scholarships, career guidance, and mentorship.
- **Provide hands-on training in emerging fields**, including AI, FinTech, green technologies, and data analytics, to align with global and Cayman's evolving economic landscape.
- **Strengthen public-private partnerships** to ensure training and education programmes are data and demand-driven and responsive to real-time labour market needs.
- **Expand internship, apprenticeship, and certification programmes**, including the creation of a centralized government-backed digital platform to connect job seekers with career opportunities, apprenticeships, and mentorship.

✓ **Addressing Persistent Labour Market Challenges**

To tackle structural and equity issues in the labour market, coordinated action is required across education, policy, and industry:

- **Introduce early interventions** by the Ministry of Education and Training to better prepare children for the future of work
- **Expand access to second-chance education, reskilling and vocational training**, for persons with lower qualifications, school leavers, and other vulnerable populations
- **Ensure fair labour practices** by enforcing wage transparency, and upholding minimum employment standards.
- **Champion inclusive workforce transformation** through sustained community engagement and alignment of education, policy, and industry priorities.