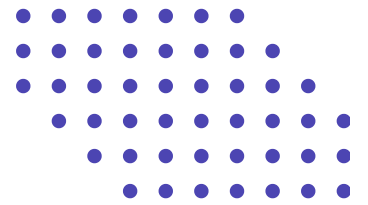




Cayman Islands
Government

THE CAYMAN ISLANDS LABOUR MARKET REVIEW 2016-2025



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ECONOMICS AND STATISTICS OFFICE
GOVERNMENT OF THE CAYMAN ISLANDS

Information on hand

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KEY TAKEAWAYS

1. **The population growth was 47.6 percent (4.8% per annum) between 2016 and 2025**, propelled by the strong economic growth of 55.8 percent, averaging 5.6 percent annually.
2. **Demand for non-Caymanian labour is expected to be relied upon for long-term economic growth.** The 2021 fertility rate of 2.1 indicated Caymanian replacement-level fertility, which is 0.1 above the 2.0 average number of children a woman must have to maintain a stable population without relying on immigration. With this fertility rate, coupled with status grants, it is estimated that it will take 29.6 years for the Caymanian labour force to reach current employment levels in the economy.
3. Since 2016, **the number of work permits increased by 71.4 percent (or 7.1% annually) to 37,173 at the end of 2025.** The post-pandemic period has seen significant drivers of increased work permit issuance, including the construction of residential and accommodation facilities, the Economic Substance Law, and increased demand for auxiliary services. Auxiliary services include heightened demand for wholesale and retail services, administrative support services (such as security guards and janitors), government services, and infrastructure services.
4. **The industries with the fastest-growing demands for the average number of work permits, years 2017-2021, relative to 2022-2025,** were the labour-intensive industries (up 46.5%), financial services (up 40%), and government-related services (up 33.7%). Despite the strong growth rates of various industries, the labour-intensive industries¹ account for the lion's share of total work permits issued, with 67.6 percent, followed by financial services with 11.0 percent, other services (households and personal services) with 9.2 percent, government-related services with 9.1 percent, and all other industries with 3.2 percent.

¹ Labour-intensive industries are those that heavily rely on physical labour: Construction, Hotels & restaurants, Wholesale & retail trade, and Administrative & support service activities (security guards, janitors, etc.).

5. Overall **unemployment averaged 3.7 percent between 2016 and 2025**. Caymanian unemployment averages 1,277 over the period, with an average unemployment rate of 5.9 percent.
6. In 2025, **the estimated number of Caymanians not working but with an interest in working** includes those who are unemployed (1,045), potential labour force participants (425), and those discouraged from job hunting (175), for a **total of 1,645**. Nonetheless, idle productive capacity (underemployment) exists in the economy, accounting for approximately 8.9 percent of employment in 2025.
7. Generally, students in training, persons with home duties, retired and elderly persons, and individuals not working due to medical reasons accounted for 93.1 percent (or 11,329) of **people not in the labour force and who had not taken any steps toward participating in labour market activities** in Fall 2025.
8. Among Caymanians, the **main reasons for working-age (15+) persons not seeking work** are students in training, home duties, retired/elderly, and not working for medical reasons, which accounted for 94.8 percent, or 8,992 persons, and generally over 90 percent between 2016 and 2025.
9. Between 2016 and 2025, **labour market education attainment** expanded in tandem with the economy's demand for skilled and semi-skilled labour. Compared to 2016, 23.2 percent more employed workers had a college degree or higher, and 5.9 percent more had post-secondary (technical/vocational) education. In 2025, 19.6 percent had a high school diploma or less. The share of workers with at least a college degree increased to 36.4 percent from 26.3 percent in 2016.
10. **Highest educational attainment among employed Caymanians**, in 2025, compared to 2016, more Caymanian employees had a college degree or higher, at 38.1 percent. The number of employees with post-secondary qualifications increased to 4.9 percent, while those with high school or lower qualifications decreased by 22.6 percent.

11. Nominal wages per hour based on education level generally increased between 32.3 percent and 35.6 percent in 2025 compared to 2016. However, **real wages (adjusted for inflation – price changes) decreased between 1.1 and 3.6 percent as price inflation outpaced wage growth.**
12. Fall 2025, employees with a high school diploma earn an average of CI\$18.56 per hour, while those with post-secondary or technical-vocational qualifications earn CI\$23.50 per hour, and college or university graduates earn CI\$41.37 per hour. This demonstrates a **clear gap between earning potential and educational levels**; for example, a university graduate earns more than 2.2 times the hourly rate of a high school graduate and about 1.8 times that of someone with a post-secondary diploma or technical-vocational certification.
13. In 2025, **Caymanian wages were 28.5 percent higher for university graduates and 52.3 percent higher for technical-vocational graduates**, showing Caymanians earn more than non-Caymanians across education levels over ten years. The gap is smaller among university graduates.
14. Of the 63,289 employed persons in the labour market, **22.8 percent (14,456 persons) have been promoted at their current place of work.** Caymanian promotion led with 33.5 percent followed by permanent residents and non-Caymanians with 30.8 and 13.8 percent, respectively.
15. Over the past 2 years, Caymanian job promotion rates have slightly declined from 34.6 percent to 33.5 percent. Overall labour market promotions also slowed from 23.2 percent in 2024 to 22.8 percent in 2025. **Of Caymanians who received a promotion, at least 40.8 percent were promoted less than a year ago, and 83.6 percent within the last year 10.** About 14,456 (22.8%) of the Fall 2025 employed labour force received a promotion within five years, with 72.5 percent among Caymanians.
16. The majority of unemployed persons were among high school graduates, and in recent years, there has been an uptick in university

graduates. **In 2024 and 2025, the educational attainment of unemployed persons was high school graduates with 63.1 percent and 64.5 percent, respectively.** This was followed by 1 in 5 unemployed persons graduating from university and 1 in 10 persons with a post-secondary/Technical-Vocational qualification.

17. **Some jobless individuals have not actively sought employment in recent times. The last time some job seekers looked for work between 2023 and 2025, more than half of the unemployed persons had been out of work for more than 12 months.**
18. **The number of Caymanians being unemployed for 12 months or less declined,** while the number of unemployed for 12 months or more increased over the review period. Specifically, among persons who previously had a job, short-term (12 months or less) employment declined from 895 (67.2%) in 2017 to 302 (38.4%) in 2025. Alternatively, long-term unemployment increased from 367 persons (27.6%) in 2017 to 486 persons (61.6%) in 2025. This suggests that short-term unemployment in prior years leads to long-term (more than 12 months) unemployment in the latter years.

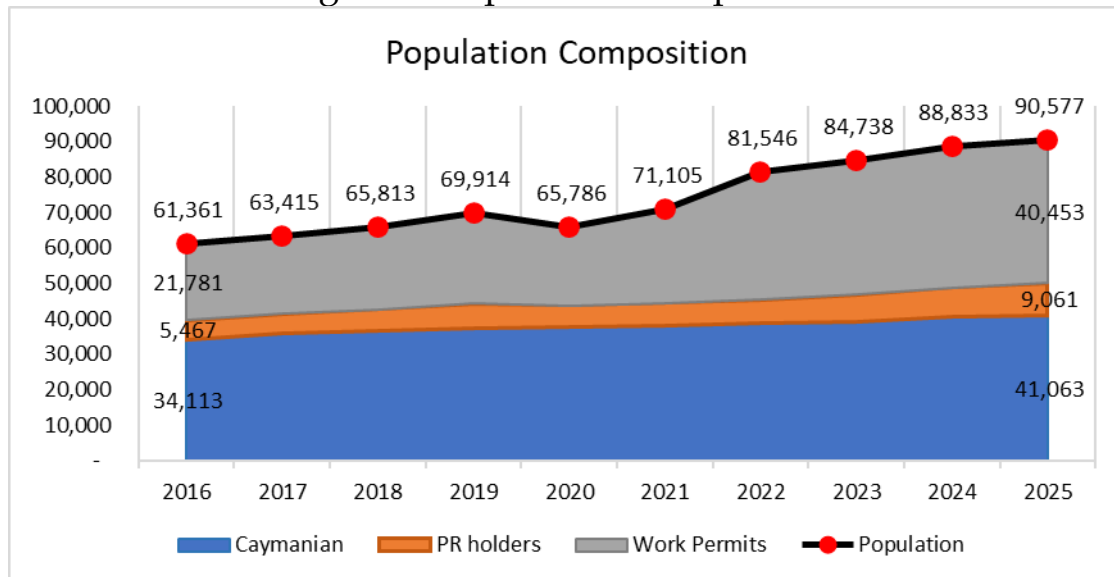
1. POPULATION OVERVIEW

The population is a count/estimation of the “resident” population; that is, persons staying or intending to stay in the Cayman Islands for at least six months. Visitors/tourists are not included in the resident population.

Persons in institutions for more than six months are excluded. Family members of resident households who were abroad at the time of the survey but had intentions to return to the Islands were also considered residents.

The population is categorised into three sub-populations by immigration status: Caymanians, Permanent Residents (PR), and non-Caymanians, totalling 90,577 in 2025 from 61,361 in 2016 (Figure 1). Cayman’s labour force comprises the indigenous population, augmented by expatriate labour, which supports the economy, for which demand exceeds domestic supply. The expatriate population fluctuates with economic activity, with some obtaining residency and thereby boosting the indigenous population.

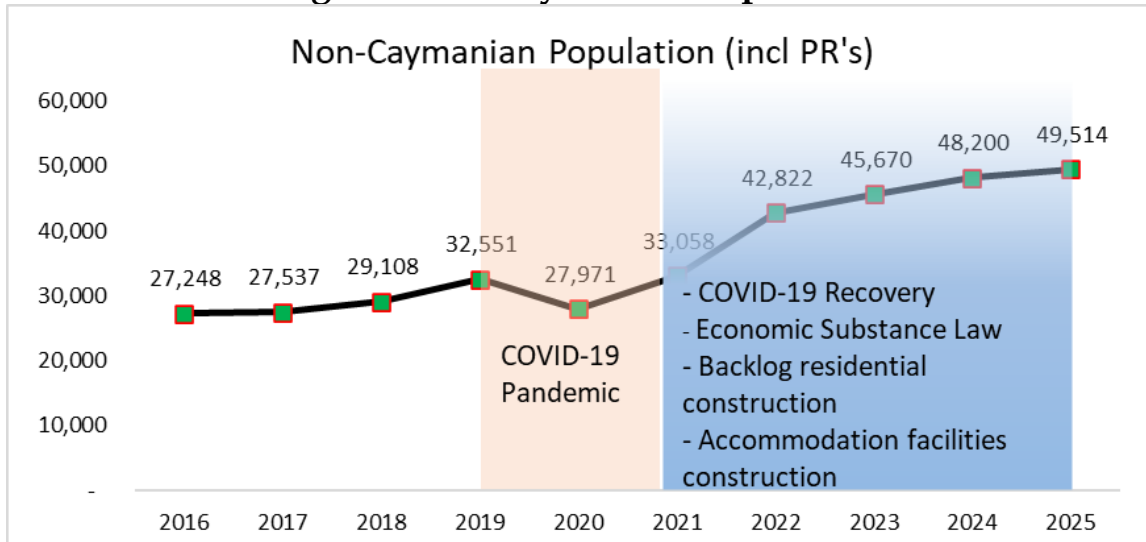
Figure 1: Population Composition



The population dynamics show that the Caymanian population grew through natural increase (births, deaths, net migration) and through status

grants. The net natural increase (births less deaths) averaged 168 over the period, while the status grants averaged 504, which doubled in the latter years. The population regeneration rate of Caymanians can be linked to the fertility rate. The fertility rate of 2.1 in 2021 was indicative of the Caymanian replacement-level fertility, in which the average number of children a woman must have to keep a population stable without relying on immigration. This rate of 2.1 ensures that the current Caymanian generation replaces itself, with the "0.1" accounting for children who may not survive to adulthood. In essence, while a fertility rate of 2.0 would theoretically replace two parents, a rate of 2.1 or greater is necessary because not all children survive to childbearing age. The current fertility rate suggests the Caymanian population growth rate is unlikely to sustain economic activity at current levels. In fact, with the Caymanian long-term average labour force growth of 3.2 percent, it is estimated that it would take about 29.6 years for the Caymanian Labour Force to meet current employment levels in the economy.

Figure: Non-Caymanian Population



As a result, the expatriate population, including work permit holders, permanent residents, dependents, and students on visas, is an important component in meeting labour demand shortfalls. The post-pandemic period has seen significant drivers of increased work permit issuance, including the construction of residential and accommodation facilities, the

Economic Substance Law, and increased demand for auxiliary services. These auxiliary services include heightened demand for wholesale and retail services, administrative support services (such as security guards and janitors), government services, and infrastructure services. Due to economic pressures, the non-Cayman population increased to 49,514 in 2025 from 27,248 in 2016.

2.LABOUR FORCE

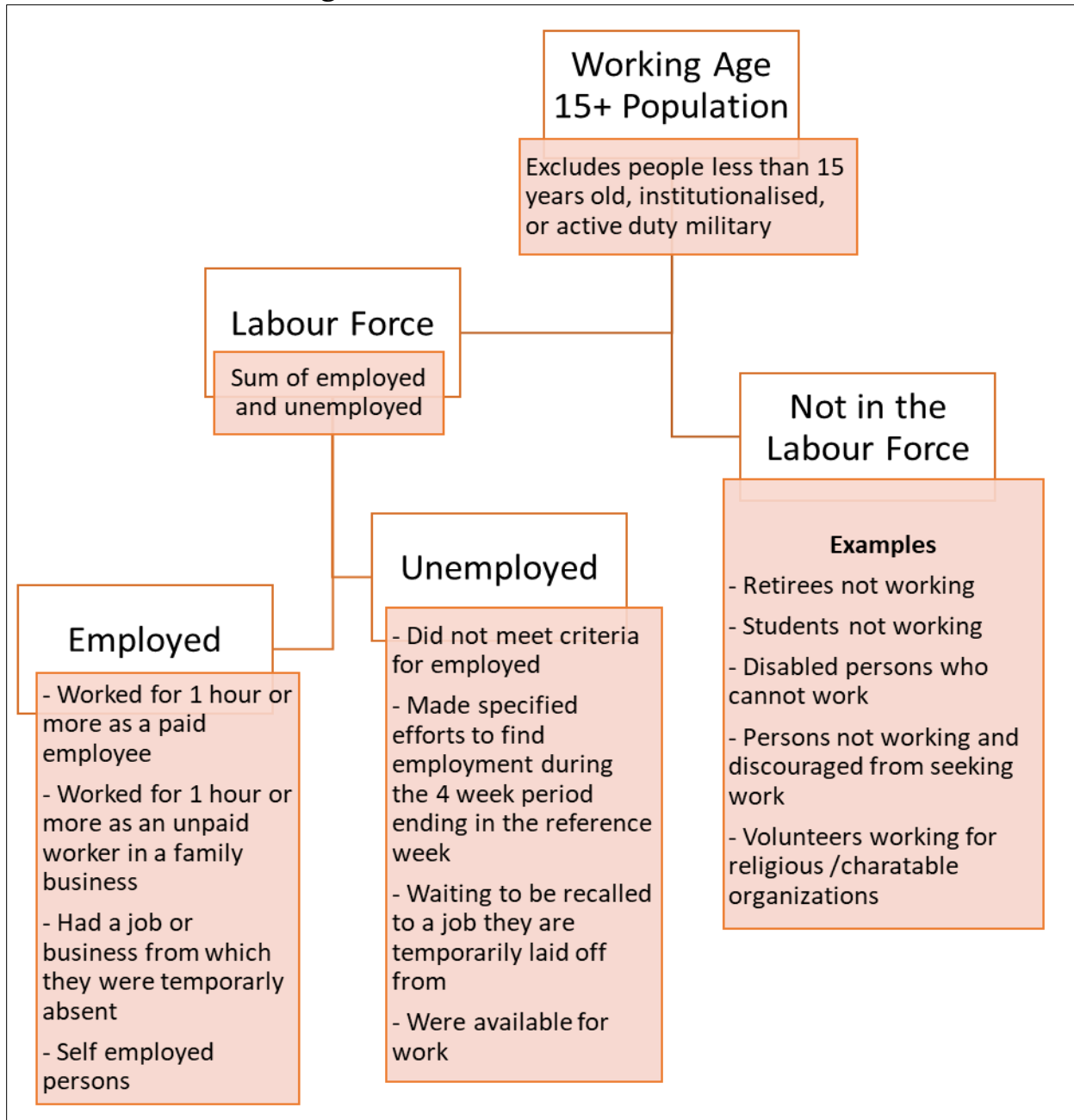
The labour force comprises all persons aged 15 years or older who were engaged in any form of economic activity for at least one hour during the reference week, or who were jobless, seeking, and available to be involved in producing economic goods and services, and also includes all those persons who were temporarily absent from work during the reference week.

The Cayman Islands labour market is vital as it informs key economic policies by balancing the supply and demand for workers. It drives economic performance, supports the production of goods and services, determines individual livelihoods, provides insights into job trends and skills gaps, and identifies industries with job growth and shortfalls.

Labour market analysis is essential to both the public and private sectors. It enables governments to craft policies that address unemployment and underemployment, thereby promoting economic stability and growth. At the same time, businesses use labour market information to set competitive wages and develop their idiosyncratic workforce. Nonetheless, market dynamics and factors such as immigration, population demographics, and education levels significantly affect labour supply and demand, thereby influencing the overall functioning of the Cayman economy.

It is common knowledge that the fundamental concept of a labour market is the interaction between supply (workers) and demand (employers), in which wages are determined by market forces and influenced by factors such as skill requirements, working conditions, and government policies. This interaction determines employment levels, unemployment rates, and the overall efficient functioning of an economy. Understanding the overall structure of the labour market is essential in trend analysis and obtaining insights.

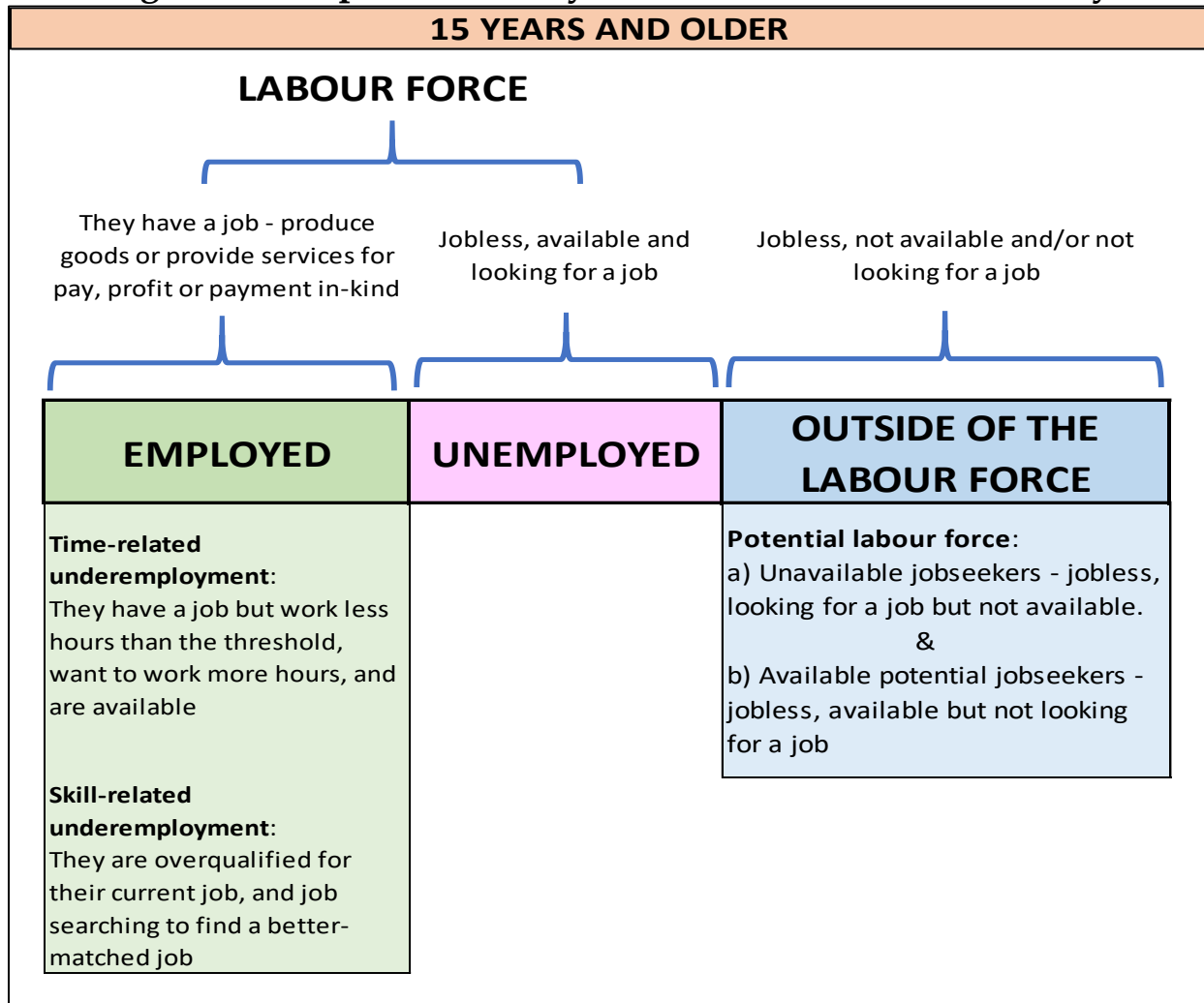
Figure 1: Labour Market Structure



The structure of the labour force is shown in Figures 1 and 2, which comprise employed and unemployed persons. Both the employed and the unemployed have their own definitions, as established by the International Labour Organisation (ILO). According to the ILO, the labour force (or "currently active population") is the sum of all persons of working age who

are either employed or unemployed during a short reference period (usually 1 week). It represents the total supply of labour available for producing goods and services.

Figure 2: Components of Cayman’s Labour Market Summary



In this labour market analysis, we examine supply and demand for workers², trends in employment, skills, wages, and demographics to understand job availability, talent gaps, and economic conditions, and to inform better strategic decisions in business and policy. It involves analysing data on job seekers (supply) and employers' needs (demand) collected by the Economics and Statistics Office labour force surveys. To this end, Table 1.0 displays the labour force components for the most recent 3 years of the Labour Force Survey results.

Table 1: Cayman Islands Labour Market and Selected Indicators

	2023		2024		2025
	Spring	Fall	Spring	Fall	Fall
Labour Force - Economically active persons	58,669	60,513	62,743	60,827	64,989
Employed persons	57,266	58,504	61,003	59,393	63,289
Full-time and Part-time workers not seeking additional work	55,959	57,277	54,337	51,470	57,647
Underemployed workers	1,306	1,228	6,666	7,923	5,642
Time-related underemployment*	1,306	1,228	1,091	4,403	1,298
Skill-related underemployment	-	-	5,575	3,519	4,344
Unemployed persons	1,404	2,008	1,740	1,435	1,700
Persons seeking and available for work	1,404	2,008	1,740	1,435	1,700
Potential additional labour force	912	800	436	852	726
Persons seeking work but not immediately available	198	88	68	82	99
Persons available to work but not seeking	714	712	369	770	627

*In Fall 2024, the survey reference week was impacted by a Hurricane, hence persons worked fewer than the usual hours. This led to higher than usual time-related underemployment.

Cayman Islands Labour Market. The Cayman Islands' labour market is well developed, with a participation rate of 84.1 percent in Fall 2025, although it was slightly lower in preceding years (see Table 2). Similarly, Caymanian labour force participation was 71.9 percent but was on a gradual downward trajectory, with the lowest levels recorded in the previous three years.

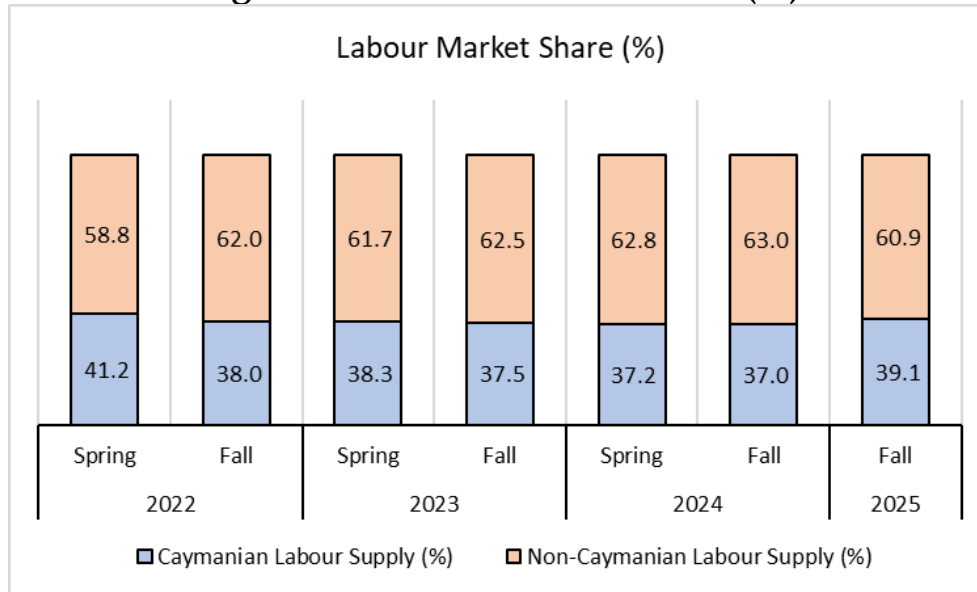
² Labour demand can be seen as the total employed persons – labour supply demand, as is derived from household interviews which is the supplier of labour.

Table 2: Labour Force Participation rates

Participation rate	2016	2017	2018	2019	2020	2022	2023	2024	2025
Labour Force Participation Rate (%)	83.4	81.4	85.3	82.4	80.4	83.0	83.1	80.8	84.1
Caymanian Labour Force Participation Rate (%)	75.6	73.2	77.4	72.4	72.0	71.4	71.7	68.1	71.9

The labour market in Fall 2025 consisted of 64,989 persons, comprising 39.1 percent Caymanians and 60.9 percent non-Caymanians, as displayed in Table 1 and Figure 3.

Figure 3: Labour Market Shares (%)



Generally, the share of migrants/non-Caymanians in the labour force has increased from 58.8 percent in 2022 to 60.9 percent in Fall 2025, while the Caymanian share has trended downward from 41.2 percent in Spring 2022 to 39.1 percent in Fall 2025 (see Figure 3). The Caymanians' labour participation rate declined from 75.4 percent (2016-2018) to 71.3 percent (2019-2025), which may be attributed to the service-oriented, labour-intensive nature of the labour market, which generally offers low-paying jobs and is usually not in high demand among Caymanians.

The share of the labour market indicates that the Cayman Islands' economy is growing faster than the Caymanian population, and the mid- and long-

term expectation is that the share of expatriate labour will increase as the economy continues to expand (in the absence of dampening measures), especially in labour-intensive services.

According to the Fall 2025 labour force survey, the Caymanian labour force was estimated at 25,403. There were 24,358 employed persons, of which 1,817 were considered underemployed, and 1,045 were unemployed (see Table 3).

Table 3: Caymanian Labour Market and Other Indicators

	2023		2024		2025
	Spring	Fall	Spring	Fall	Fall
Labour Force - Economically active persons	22,457	22,706	23,323	22,535	25,403
Employed persons	21,615	21,563	22,181	21,487	24,358
Full-time and Part-time workers not seeking additional work	20,716	20,953	20,166	19,577	22,541
Underemployed workers	899	610	2,015	1,910	1,817
Time-related underemployment**	899	610	623	1,109	582
Skill-related underemployment	-	-	1,392	801	1,235
Unemployed persons	842	1,143	1,142	1,048	1,045
Persons seeking and available for work	842	1,143	1,142	1,048	1,045
Potential additional labour force	689	552	228	575	425
Persons seeking work but not immediately available	153	38	42	82	22
Persons available to work but not seeking	536	514	187	493	403

**In Fall 2024, the survey reference week was impacted by a Hurricane, hence persons worked fewer than the usual hours. This led to higher than usual time-related underemployment.

Caymanian Potential Labour Supply. The potential labour force is comprised of two groups of persons of working age not in employment or unemployment: (1) those who carried out activities to seek employment but were not currently available and would become available within a short subsequent period. This group is also known as the unavailable jobseekers, and (2) those who did not seek but wanted employment and were available, also known as the available potential jobseekers.

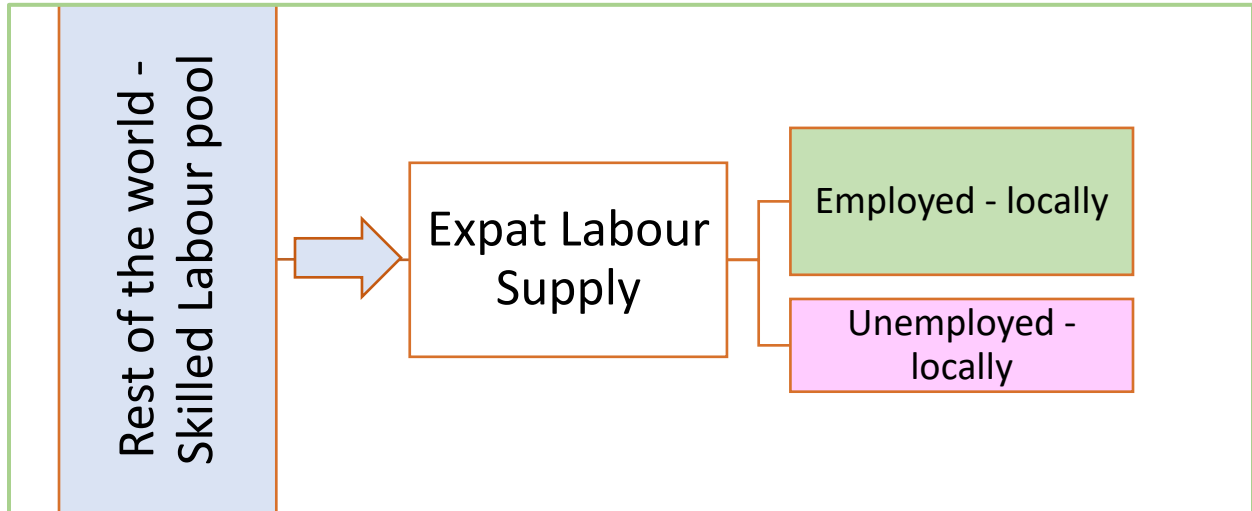
The Caymanian potential labour supply stood at 425 persons (see Table 3), of whom the vast majority (403, or 94.8%) are available for work but not seeking work. While the potential labour supply is the number of persons meeting two of the three unemployment classification conditions, another

group of persons outside the labour force, called “discouraged workers,” can also be encouraged to become active labour market participants. The total of the Caymanian potential labour force (425) and discouraged workers (175) was estimated at 600 persons as of Fall 2025. These are potential Caymanian employees for whom employment policies and strategic intervention could be used to encourage labour force participation.

In general, this is possible for Caymanians who are neither employed nor unemployed. Despite being outside the labour force, they still have some attachment to the labour market, either through their job search or their availability, which means they are linked to it. Even though they do not explicitly constitute the labour supply, they could potentially supply labour, thus representing labour underutilization. Their labour underutilization (or unused labour) is marked not only by their joblessness but also by circumstances that prevent them from seeking work or being available for jobs. In public discourse, these persons are often still considered unemployed even though they are excluded from the official unemployment pool. The number of Caymanians aged 15+ who were excluded from the labour market (employed and unemployed) ranged from 13,028 in 2022 to 14,601 in 2025, as shown in Table 4. There are numerous reasons why these individuals do not participate in the labour market, which will be examined in Section 3.

Non-Caymanian labour supply. The non-Caymanian labour supply (employed and unemployed), which supplements Cayman's labour shortfall, ranged from 21,295 in 2015 to 39,586 in 2025, for an average annual growth rate of 8.6 percent, or 1,829 persons over the period. The Cayman Islands has a service-based economy dominated by financial and tourism services. By their nature, expansions in these industries lead to increased labour demand. The local population supplies approximately 2 in every 5 persons (or 40 percent) of labour demand; therefore, it relies on expatriate labour for the remaining 60 percent in 2025. *Over the last 10 years, how has this growth in expat work permits been managed? The employment section will examine the number of expats holding work permits.*

Figure 4: Expats Labour Supply



3. NOT IN THE LABOUR FORCE

Persons 15 years or older who are not in the non-institutional population and were neither employed nor unemployed during the reference week.

Persons outside the labour force comprise all persons of working age who, during the specified reference period, were not in the labour force (that is, were not employed or unemployed). The working-age population in the Cayman Islands is defined as persons aged 15 and older. In addition to minimum age thresholds, some countries also apply a maximum age limit; however, none exists in the Cayman Islands.

Table 4: Persons 15+ and Not Working

	Fall 2022	Fall 2023	Fall 2024	Fall 2025
	Number of persons			
No. of Persons not working	13,028	14,299	15,914	14,601
Potential labour force	803	800	852	726
<i>No of persons available but no seeking</i>	679	712	770	627
<i>No of persons seeking but not available</i>	125	88	82	99
Unemployed (looked and available for work)	1,227	2,008	1,435	1,700
Persons Not in the Labour Force (not looked, nor available for work)	10,997	11,491	13,627	12,175

Persons Not in the Labour Force

Persons not in the labour force – often termed “economically inactive” – are working-age individuals who are neither employed nor unemployed. To be considered unemployed, persons must be actively seeking work and available to start work if a job becomes available; those who do not meet these criteria are excluded from the labour force. Table 3 provides an indication of the number of persons, derived from the Economics and Statistics Office Labour Force Surveys, who are omitted from the labour force. For instance, the number of persons not working in Fall 2025 was 14,601, of which 1,700 met the other two conditions to be classified as unemployed (see Table 4). In addition, 726 persons met at least one of the two additional conditions and were grouped as the potential labour force.

This signals that 12,175 persons did not meet either condition (did not look for work or are not available for work). *Why are some people not looking for work?* Some of the common reasons people were not working and had not taken steps to find a job include full-time education, retirement, caregiving responsibilities, long-term sickness or disability, and “discouraged worker,” as detailed in Table 5.

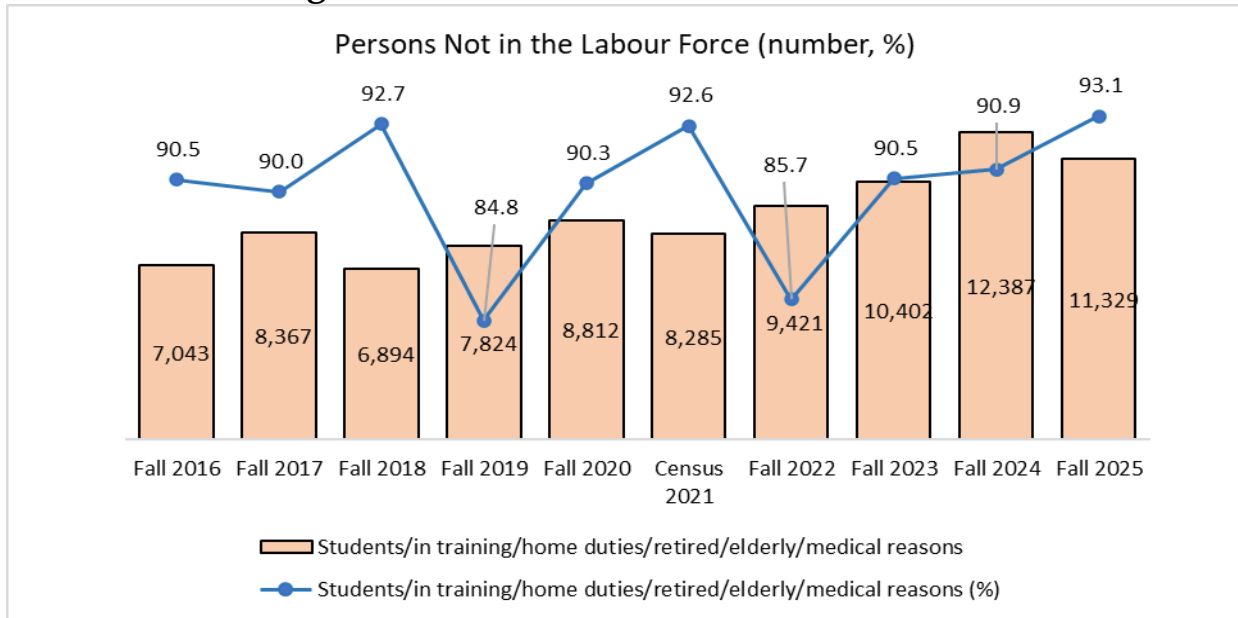
Table 5: Persons Not in the Labour Force who have not looked nor available for work

	Fall 2016	Fall 2017	Fall 2018	Fall 2019	Fall 2020	Census 2021	Fall 2022	Fall 2023	Fall 2024	Fall 2025
Total	7,783	9,299	7,434	9,226	9,753	8,942	10,997	11,491	13,627	12,175
	Percentage distribution (%)									
Main reason for not working										
Student 15+ / in training	33.2	28.3	30.6	28.3	32.0	34.2	29.7	31.9	33.7	35.8
Home / family duties	11.9	9.6	11.1	12.1	7.7	8.8	8.7	10.9	11.8	12.3
Retired/Elderly	37.6	41.7	40.3	34.8	39.9	41.8	37.7	39.1	36.9	38.8
Medical reasons	7.8	10.4	10.7	9.7	10.8	7.8	9.6	8.7	8.5	6.0
Work authorisation	1.4	0.5	0.4	1.1	-	-	0.8	1.5	1.6	0.7
Seasonal inactivity	-	-	-	-	-	0.6	-	0.2	-	-
Discouraged workers (no work available/tired of looking)	-	-	-	0.4	1.5	0.8	0.6	0.3	0.2	0.1
Don't want to work/other reasons	2.1	5.5	2.6	3.2	2.0	5.4	5.1	3.4	2.7	2.3
Don't Know/Not Stated	6.0	4.0	4.3	10.5	6.2	0.5	7.9	4.1	4.7	3.8

This table excludes potential labour force participants (persons who seek employment but are not available to take employment opportunities, and those not seeking but wanted employment and were available).

Table 4 displays the distribution of the main reasons why persons were not working during the reference week of the Labour Force Survey. The majority of persons not in the labour force are students in training and retired aged persons, who in Fall 2025 accounted for 35.8 percent and 38.8 percent, respectively. When students in training, home duties, retired aged persons, and not working for medical reasons are aggregated, they accounted for 93.1 percent (or 11,329) of persons not in the labour force and have not taken any steps in labour market activities in Fall 2025. This percentage of greater than 90 percent is consistent across most years between 2016 and 2025 (see Figure 5).

Figure 5: Persons Not in the Labour Force



Caymanians not in the Labour Force. The number of Caymanians outside the labour force (neither employed nor unemployed) ranged from 6,997 in 2021 to 10,004 in 2024. In Fall 2025, the number of economically inactive Caymanians stood at 9,483, after excluding the potential labour force (This table excludes potential labour force participants (persons who seek employment but are not available to take employment opportunities, and those not seeking but wanted employment and were available), as displayed in Table 6.

Table 6: Caymanian Not in the Labour Force

	Fall 2019	Fall 2020	Census	Fall 2022	Fall 2023	Fall 2024	Fall 2025
Total	7,461	7,748	6,997	8,222	8,400	10,004	9,483
	Percentage distribution (%)						
Main reason for not working							
Student 15+ / in training	28.4	30.4	34.0	30.3	30.4	31.4	37.1
Home / family duties	6.9	4.6	5.0	4.3	5.4	6.4	6.2
Retired/Elderly	40.6	45.7	47.4	47.1	46.7	44.8	44.9
Medical reasons	11.5	12.0	9.4	12.3	11.6	11.3	6.7
Seasonal inactivity	-	-	0.6	-	0.2	-	-
Discouraged workers (no work available/tired of looking)	-	1.2	0.8	0.2	0.5	0.2	0.2
Don't want to work/other reasons	3.4	0.9	2.4	2.2	3.2	2.1	1.7
Don't know/Not Stated	9.2	5.2	0.5	3.7	2.0	3.9	3.3

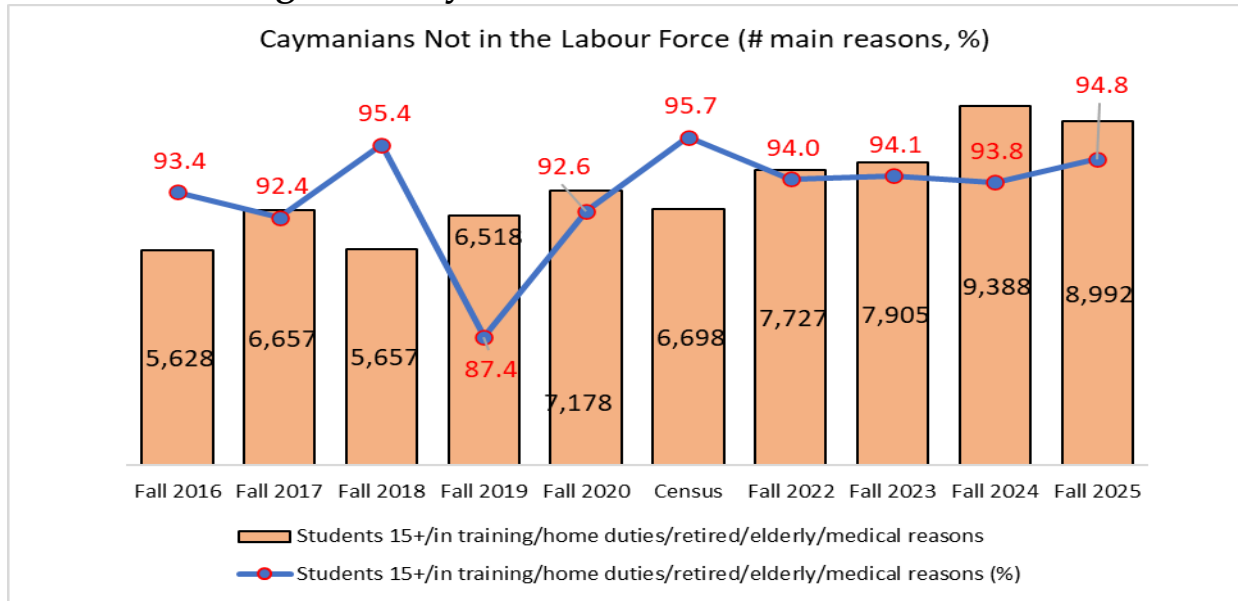
This table excludes potential labour force participants (persons who seek employment but are not available to take employment opportunities, and those not seeking but wanted employment and were available).

With a labour force participation rate of 71.9 percent in Fall 2025 and 68.1 percent in the previous year, the question, therefore, is, why are so many Caymanians staying out of the labour force?

The plausible answer(s) to this question are embodied in the reasons given for not working, in the labour force surveys, presented in Table 6. It suggests that the main reasons are that students of working age are still in school/training, as well as retired elderly persons, who account for 37.1 percent and 44.9 percent, respectively. Some of the Caymanians answering “don’t want to work/other reasons” include wealthy/high-net-worth individuals who do not want to work because they have other sources of income.

In fact, the top four main reasons are students in training, home duties, retired/elderly, and not working for medical reasons. They accounted for 94.8 percent, or 8,992 persons, and generally over 90 percent between 2016 and 2025, as displayed in Figure 6.

Figure 6: Caymanian Not in the Labour Force



Among the reasons given for not working are ‘discouraged’ Caymanians who, for one reason or another, grow tired of job hunting and complain that no jobs are available, primarily because of unsuccessful job hunts.

Figure 7: Discouraged Caymanians

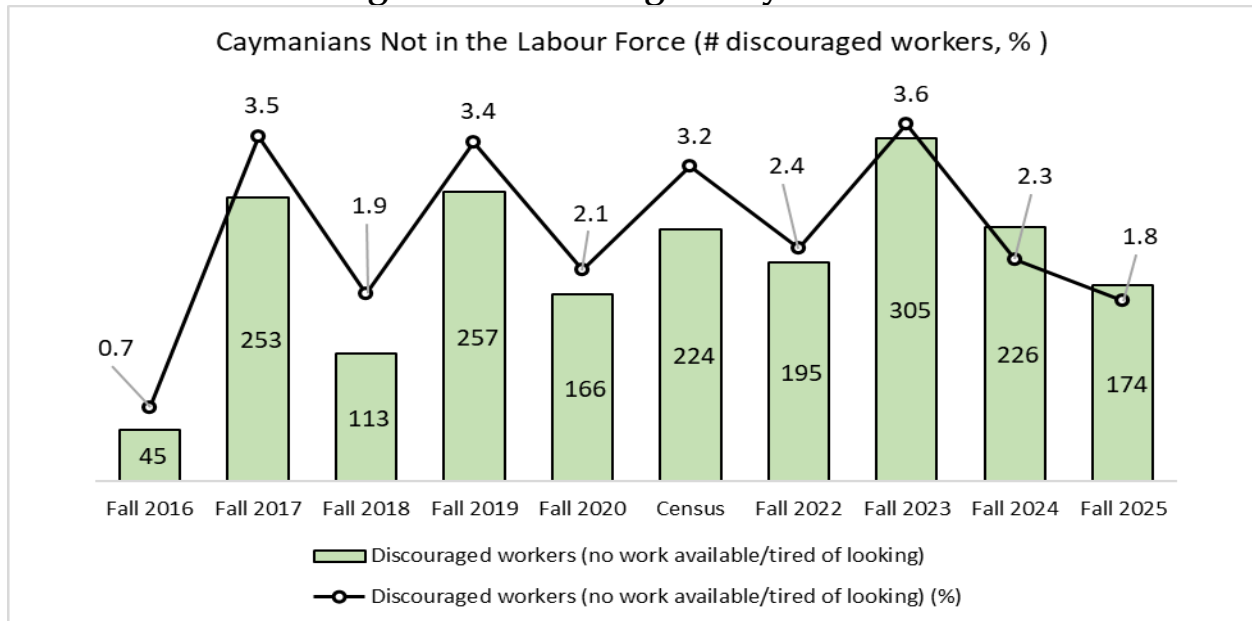


Figure 7 shows the number of discouraged Caymanians between 2016 and 2025. The annual average for the period was 196 percent or 2.5 percent of economically inactive persons, and for the most recent year, the total was 174 persons (or 1.8%).

4.EMPLOYMENT

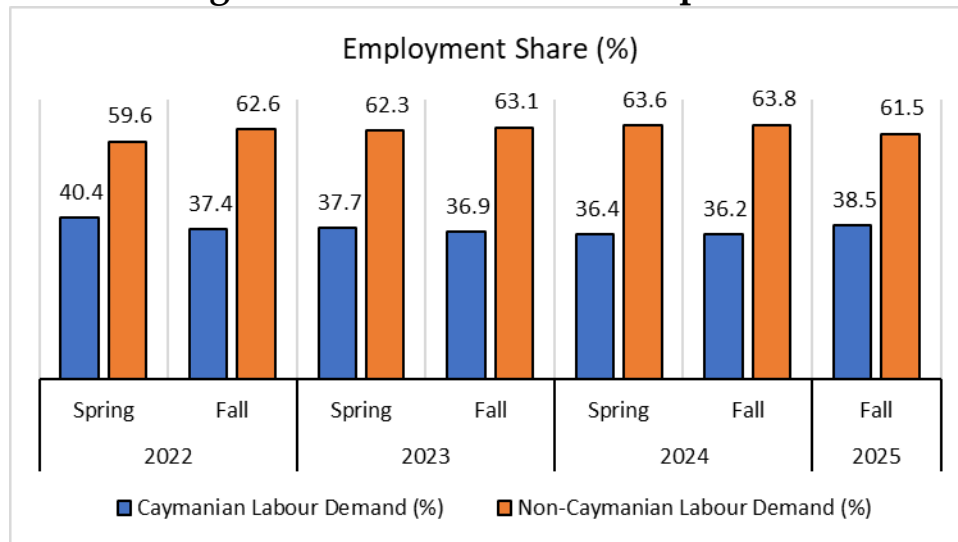
Persons 15 years or older who, during the reference period, performed some work for wage or salary, payment in kind, as well as persons with a formal attachment to a job but temporarily not at work.

The International Labour Organization (ILO) defines employment as all persons of working age who, during a short reference period (like one week), were engaged in any activity to produce goods or provide services for pay or profit. It includes those currently at work and those temporarily absent, covering both employees and self-employed individuals.

Implicit in this definition is time-related underemployment, which consists of employed individuals who work fewer hours (fewer than 30) than they would like and would be willing to work more if opportunities arose. It includes individuals working part-time involuntarily, workers who want more hours in their current job, and those actively seeking a new job with more hours. This represents a form of labour underutilization, distinct from unemployment and other forms of underemployment, such as skills underutilization.

Employment -Labour demand. The labour market can be assessed from both the demand and supply sides. The Labour Force Survey (LFS) gathers data from households (labour suppliers). Enterprises and other users demand labour from among the pool of available labour supplied by households. While in most countries the supply of labour exceeds demand, in the Cayman Islands, the reverse holds true. Therefore, the Cayman Islands tap into a worldwide pool of labour at competitive prices, thereby gaining access to an unlimited labour supply. Therefore, labour force dynamics may be artificially skewed relative to normal market forces in determining real unemployment and setting market wages.

Figure 8: Labour Demand Proportion



Nonetheless, in Fall 2025, Caymanians made up 38.5 percent of the employed labour force, down from 40.4 percent in Spring 2022. Non-Caymanian share increased from 59.6 percent to 61.5 percent in Fall 2025. Given the sizable share of non-Caymanians in the labour market, it is evident that economic expansion continued to outpace the Caymanian labour supply, indicating that more foreign labour is being utilised to meet excess demand.

The concentration of work permit holders in the labour market and their inability to own businesses means that non-Caymanian employment is being dominated by paid work. In 2025, the vast majority (91.2%) of employed persons were in paid work. Self-employed persons make up 8.3 percent of the total employed population, comprising self-employed individuals with employees (4.7%) and self-employed individuals without employees/own-account workers (3.6%). The vast majority of the employed labour force are wage and salary workers, predominantly employed in the service sector (82.3%) of the economy.

Persons classified as employed under the ILO’s definition (paid employment for at least one hour) may be underemployed if they work fewer than regular hours and are willing to work more. Therefore, in the

Cayman Islands, persons working fewer than 30 hours per week and willing to work more are classified as time-related underemployed.

In addition to time-related unemployment, there are instances of skills mismatch, where individuals are overqualified for their current roles. As depicted in Table 7, underemployment accounted for 8.9 percent (or 5,642 persons) of employment in Fall 2025. This underemployment combines time-related (2.1%, or 1,298 persons) and skill-related underemployment (6.9%, or 4,344 persons).

Table 7: Employed and Unemployed Persons

Cayman Islands - Labour Market	2022		2023		2024		2025
	Spring	Fall	Spring	Fall	Spring	Fall	Fall
Employed persons	52,764	56,355	57,266	58,504	61,003	59,393	63,289
Full-time and Part-time workers not seeking additional work	51,300	53,498	55,959	57,277	54,337	51,470	57,647
Underemployed workers	1,464	2,857	1,306	1,228	6,666	7,923	5,642
Time-related underemployment	1,464	2,857	1,306	1,228	1,091	4,403	1,298
Skill-related underemployment ^a	-	-	-	-	5,575	3,519	4,344
Unemployed persons	1,634	1,227	1,404	2,008	1,740	1,435	1,700
Persons seeking and available for work	1,634	1,227	1,404	2,008	1,740	1,435	1,700

^aSkill related underemployment was not assessed before 2024

Table 8: Unemployment and Underemployment Rates

	2022		2023		2024		2025
	Spring	Fall	Spring	Fall	Spring	Fall	Fall
Unemployment Rate	3.0	2.1	2.4	3.3	2.8	2.4	2.6
Underemployment Rate	2.8	5.1	2.3	2.1	10.9	13.3	8.9
Time-related underemployment	2.8	5.1	2.3	2.1	1.8	7.4	2.1
Skill-related underemployment	-	-	-	-	9.1	5.9	6.9

Time-related underemployment rates provide some insight into labour underutilization patterns. In Fall 2025, the number of time-related underemployed persons was 1,298, which is slightly lower than the 1,464 in Spring 2022. In some instances, time-related underemployment is slightly lower than the unemployment rate, which shows that while some individuals wanted to work and remained unemployed, others, and almost an equivalent number of people, were not being fully utilized by the labour

market. In Fall 2024, the underemployment rate was 7.4 percent of total employment, due to an anomaly: a natural disaster occurred in the reference week, keeping employees away from work and reducing their hours to fewer than 30 hours.

For Caymanians, time-related underemployment was 582 (2.4%) in Fall 2025, down from 905 in Spring 2022 (see Table 9). Between 2022 and 2025, time-related underemployment varied from 4.2 percent in Spring 2022 to a low of 2.4 percent in Fall 2025. In essence, idle labour capacity exists in the labour market at the end of 2025. When skill-related underemployment was measured in 2025, the total underemployment rate was 5.1 percent in the Fall, higher than the 3.7 percent in Fall 2024.

Table 9: Caymanian Employed and Unemployed

Caymanian - Labour Market	2022		2023		2024		2025
	Spring	Fall	Spring	Fall	Spring	Fall	Fall
Employed persons	21,299	21,095	21,615	21,563	22,181	21,487	24,358
Full-time and Part-time workers not seeking additional work	20,394	19,751	20,716	20,953	20,166	19,577	22,541
Underemployed workers - seeking additional work	905	1,344	899	610	2,015	1,910	1,817
Time-related underemployment	905	1,344	899	610	623	1,109	582
Skill-related underemployment ^a	-	-	-	-	1,392	801	1,235
Unemployed persons	1,140	796	842	1,143	1,142	1,048	1,045
Persons seeking and available for work	1,140	796	842	1,143	1,142	1,048	1,045

^aSkill related underemployment was not assessed before 2024

Table 10: Caymanian Unemployment and Underemployment Rates

Caymanian Selected Indicators	2022		2023		2024		2025
	Spring	Fall	Spring	Fall	Spring	Fall	Fall
	Percent (%)						
Unemployment Rate ^a	5.1	3.6	3.7	5.0	4.9	4.6	4.1
Underemployment Rate	4.2	6.4	4.2	2.8	9.1	8.9	7.5
Time-related underemployment	4.2	6.4	4.2	2.8	2.8	5.2	2.4
Skill-related underemployment	-	-	-	-	6.3	3.7	5.1

^aUnemployment rate is a percentage of the labour force

^bUnderemployment is a percentage of the employed

Among Caymanians, the underemployment rate exceeds the unemployment rate for most of the review period. This suggests that

underemployment is more prevalent than outright unemployment. In a high-cost-of-living environment and the absence of easily accessible unemployment benefits, personal savings, and family support, many individuals cannot afford to remain jobless and are compelled to accept any available job, even if the hours offered are fewer than they would prefer. This is also prevalent in skills-related underemployment, in which individuals take jobs despite being overqualified.

It is common for non-Caymanian job seekers to accept employment in the Cayman Islands for which they are overqualified, in anticipation of transitioning into more suitable employment. Hence, in Fall 2025, the number of persons overqualified for their jobs is estimated at 11,818 (18.7% of employed persons), of which 4,152 (17.0% of employed Caymanians) were Caymanians, and 7,666 (19.7% of employed non-Caymanians) were non-Caymanians.

Time-related underemployment refers to employed individuals who work fewer hours than is normal and would be willing to work more hours if opportunities arose. It includes individuals working part-time involuntarily, workers who want more hours in their current job, and those actively seeking a new job with more hours. This phenomenon represents a form of labour underutilization, distinct from unemployment and other forms of underemployment, such as skills underutilization.

Similarly, some individuals engage in upskilling to anticipate job mobility, higher pay, and greater job satisfaction. However, when those expectations falter, they begin job-searching and are classified as underemployed. In Fall 2025, approximately 4,344 persons were classified as skill-related underemployed, of whom 1,235 (28.4%) were Caymanians.

Skill-related underemployment occurs when a worker's skills and qualifications exceed the requirements of their current job, leading to underutilization of their abilities. It is measured by matching a worker's education level to the skill level demanded by their occupation, with individuals being classified as skills-related underemployed if their education level exceeds the job's requirements.

Expatriate Labour - Employment of non-Caymanians

As mentioned earlier, employment of non-Caymanians is entirely dependent on labour shortages and, in some cases, on the need for specialist skills, as dictated by local economic conditions.

Non-Caymanian (work permit holders and permanent residents with the right to work) employment ranged from 20,772 in 2015 to 38,931 in 2025, for an average annual growth rate of 8.7 percent, or 1,816 persons over the period. This annual growth reflects the expected features of a service-based economy dominated by financial and tourism services, with a persistent labour shortage and labour demand directly tied to economic growth.

Figure 9: Number of Work Permit Holders

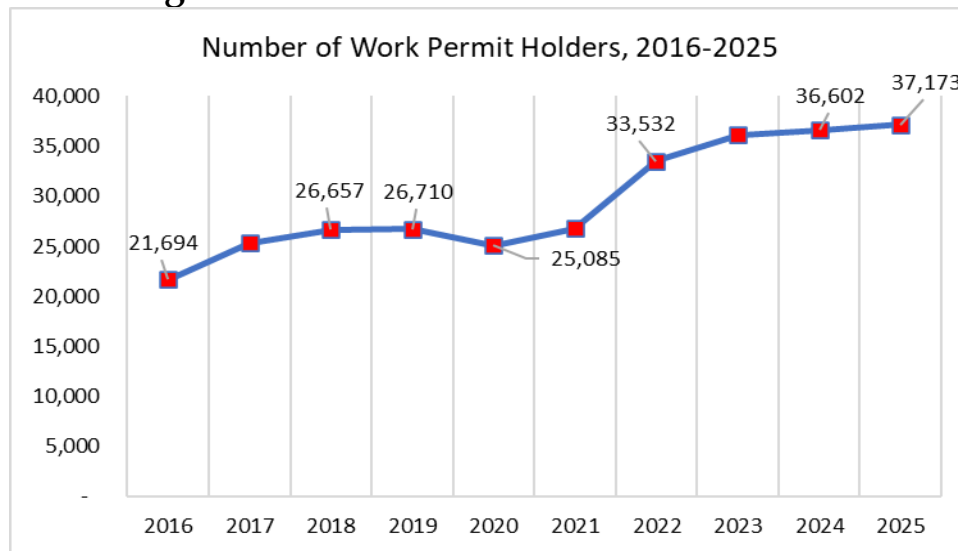
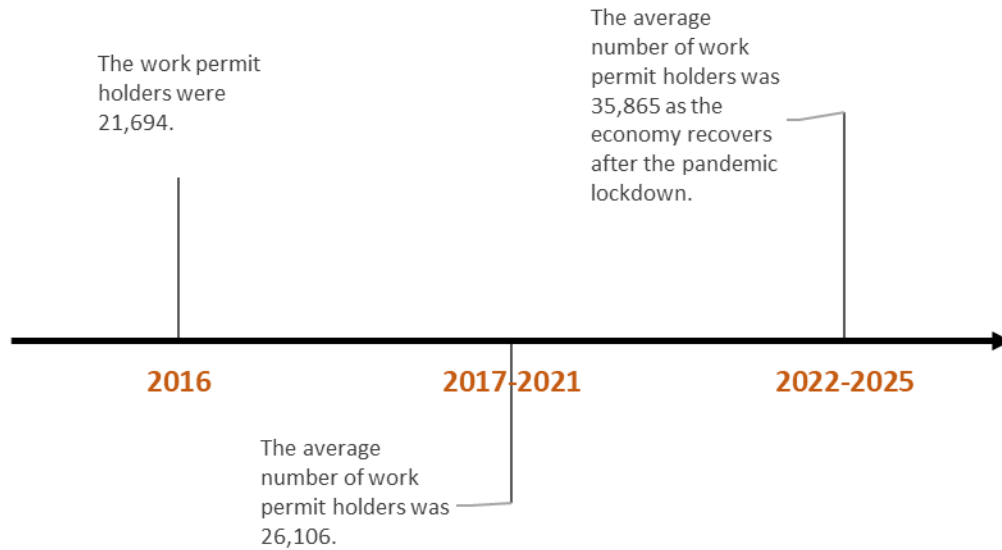
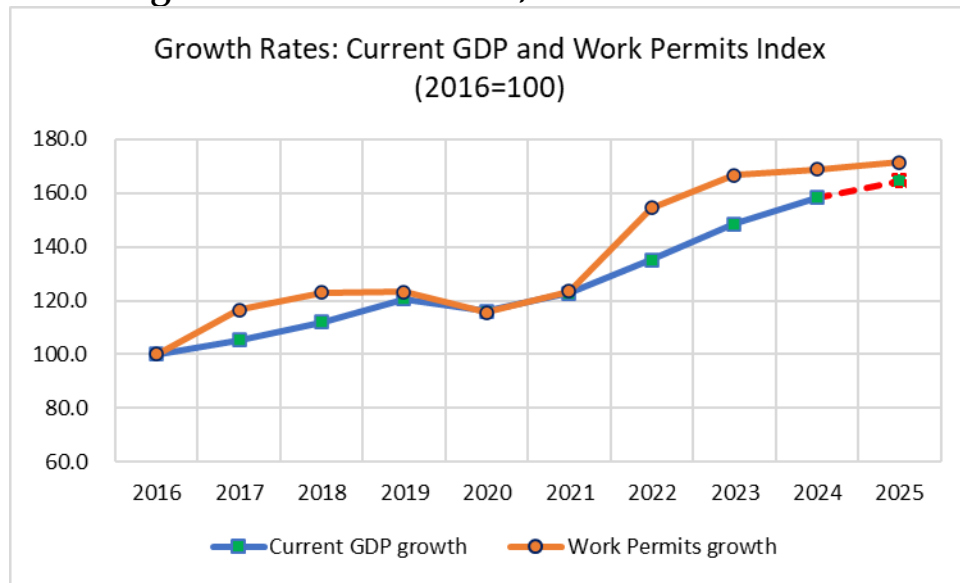


Figure 10: Average Work Permit



Over the last 10 years, as depicted in Figure 9, the number of work permits increased from 21,694 in 2016 to 37,173 at the end of 2025. This equates to 71.4 percent more in 2025 relative to 2016. Or 7.1 percent growth annually.

Figure 11: Current GDP, Work Permit Index



The Cayman Islands' economy grew by an average of 5.6 percent over the period 2016-2025, which is marginally below the overall annual increase in

work permits of 7.1 percent (see Figure 11). The strong relationship between economic growth and labour demand profoundly affects the quantity of labour importation.

Table 11: Average Number of Work Permits by Grouped Economic Industries

Industries	2017-2021	2022-2025	Change in work permit average growth (%) 2017-2021 and 2022-2025
Labour Intensive Services	14,198	20,793	46.5%
Government-related Services	2,635	3,522	33.7%
Financial Services	2,675	3,745	40.0%
Other Services (personal & households)	5,468	6,362	16.3%
Others industries	1,131	1,443	27.6%
<p>Labour-intensive industries are those that heavily rely on physical labour: Construction, Hotels & restaurants, Wholesale & retail trade, and Administrative & support service activities (security guards, janitors, etc.).</p> <p>Government services include Public administration & defence, Education services, and Human health & social work.</p> <p>Financial Services include Financial & insurance services and Professional, scientific & technical activities.</p> <p>Other industries include Agriculture & fishing, Mining & quarrying, Manufacturing, Electricity, gas & air conditioning supply, Water supply, sewerage & waste management, Transport & storage, Information & communication, and Real estate activities.</p>			

As shown in Figure 11, there are distinct patterns in the work permit trajectory before and after the COVID-19 pandemic's impact. To understand the implications of these shifts, it is essential to analyse both the 2017-2021 and 2022-2025 periods, as well as the sectoral contributions that shaped work-permit trends. on the Cayman Islands. Labour-intensive industries accounted for the vast majority of work permits, 54.4 percent during 2017-2021, as they rely heavily on physical labour to deliver services. These labour-intensive industries share increased to 58.0 percent in the subsequent period, 2022-2025. The household sector was the second-largest grouping, accounting for 20.9 percent of work permits before the pandemic and 16.3 percent afterwards. Financial services' share of work permits remains relatively stable at 10 percent, while government-related

services' share decreased slightly from 10.1 percent to 9.8 percent across both periods.

The industries with the fastest-growing demands for work permits are labour-intensive industries (up 46.5%), financial services (up 40%), and government-related services (up 33.7%) (see Table 11). Despite the strong growth rates of various industries, the labour-intensive industries account for the lion's share of work permits issued, with 67.6 percent, followed by financial services with 11.0 percent, other services (households and personal services) with 9.2 percent, government-related services with 9.1 percent, and all other industries with 3.2 percent.

The growth in labour-intensive industries was driven by increased construction of residential and accommodation facilities, which were backlogged from the covid lockdown, as well as infrastructure services, which also drove growth in support services. Financial services increased their demand for work permit holders as the Economic Substance Law took effect. The increases in government-related services were due to ramped-up essential services, including teachers, security personnel, and health workers.

Education and Remuneration.

Historical evidence suggests that education and remuneration are strongly positively related, with higher levels of educational attainment generally leading to higher earnings. This relationship is observed across countries, including the Cayman Islands: individuals with higher levels of education typically earn significantly more than those with lower levels. This relationship is attributed to both increased worker (human capital) productivity and higher education signalling, which indicates a worker's potential to employers.

Educational Attainment. Between 2016 and 2025, labour market education attainment increased in tandem with economic demand for skilled and semi-skilled labour. Compared with 2016, approximately 23.2 percent more of the employed labour force attained a college degree or higher, and 5.9

percent more had post-secondary education (technical/vocational) (see Figure 12). In 2025, 19.6 percent of workers had a high school diploma or less. Additionally, in 2025, the proportion of the employed labour force with at least a college degree increased to 36.4 percent from 26.3 percent in 2016.

Figure 12: Employed Labour Force Education Attainment Index

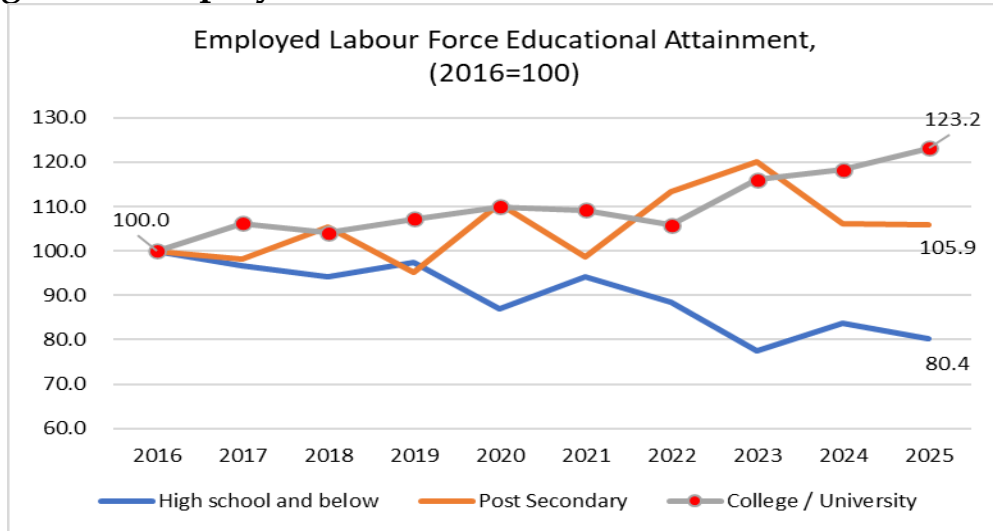
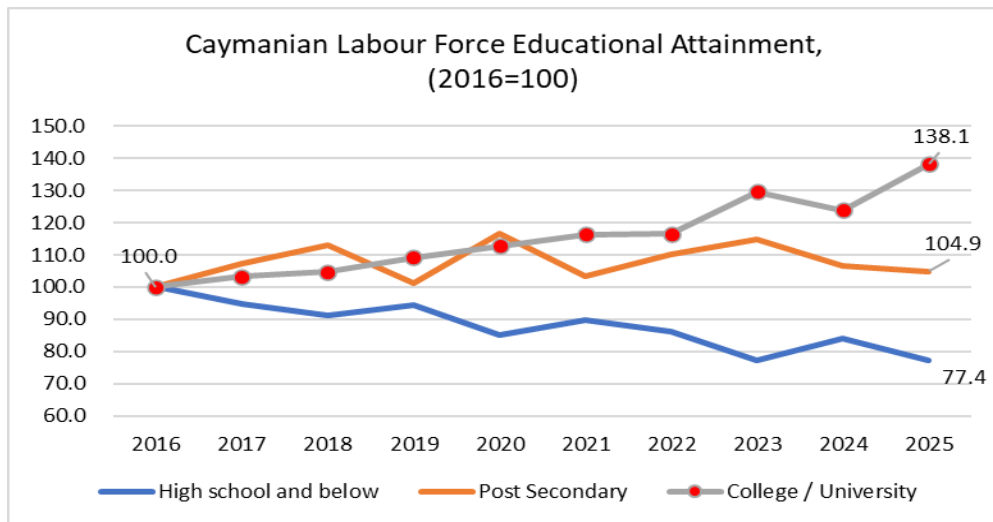


Figure 13: Caymanian Employed Labour Force Education Attainment Index



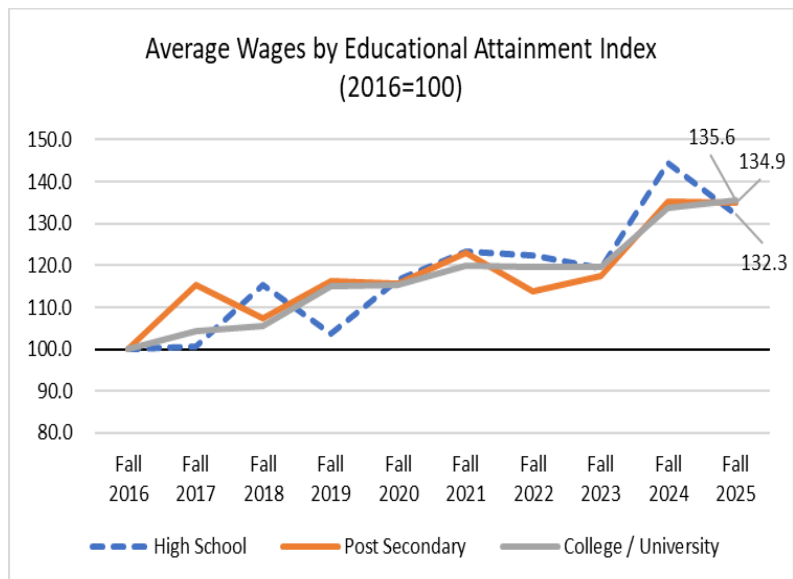
Among the Caymanian employed labour market, in 2025, relative to 2016, more Caymanian employees have a college degree or higher, 38.1 percent

(see Figure 13). The number of employees with post-secondary qualifications rose to 4.9 percent, while those with high school or lower qualifications declined by 22.6 percent.

It is important to examine whether a higher share of Caymanians is obtaining a college/university education relative to the labour force, or whether labour-market hiring practices are moving beyond high school education.

In reviewing the Caymanian labour force (employed and unemployed) in 2025, 42.0 percent had a college/university degree, compared to 2016. Similarly, there were fewer Caymanians in the labour force with educational attainment at the high school level or lower; in 2025, the share fell to 43.0 percent, down from 53.6 percent in 2016. If the market were moving beyond hiring high school graduates, the expectation would be a higher proportion of high school graduates in the unemployment pool and among discouraged workers. From the analysis, the proportion of high school graduates is relatively constant over the period, suggesting that, in general, a higher proportion of Caymanians are attaining higher education and are not unduly hindered by labour-market hiring practices.

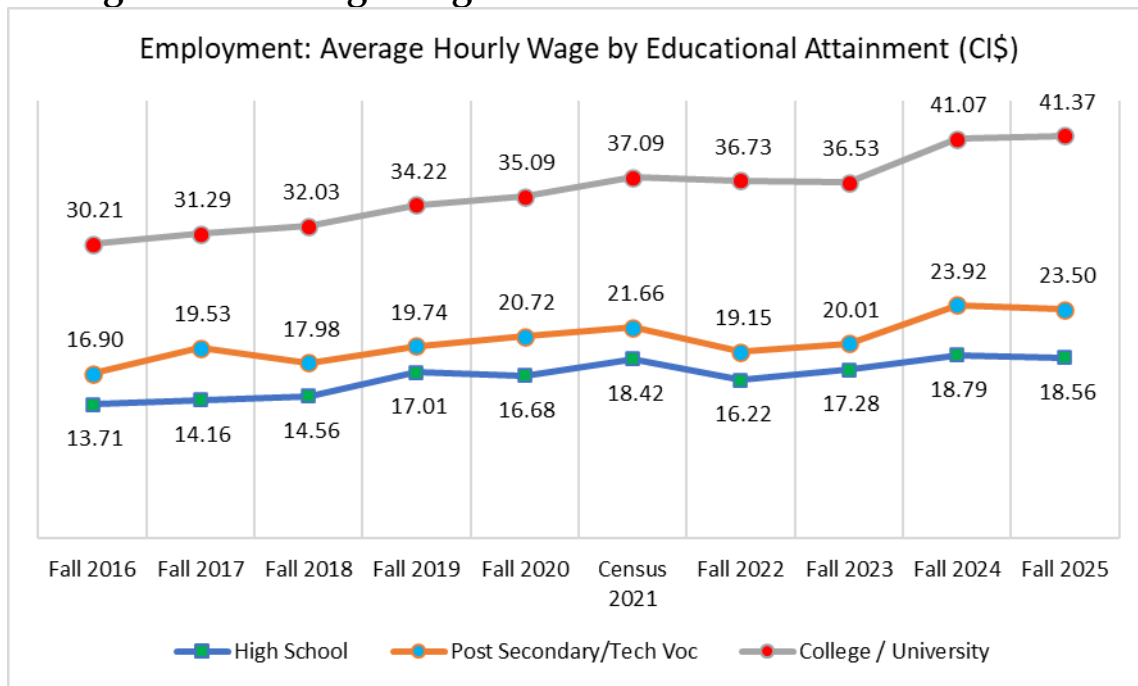
Remuneration. To analyse the proposition that higher levels of educational attainment generally led to higher earnings, employment income was cross-tabulated with educational attainment. This evidence suggests that in the labour market, higher levels of education are associated with higher hourly wages. Nominal wage per hour generally increased between 32.3 percent and 35.6 percent in 2025 relative to 2016 (see Figure). However, real wage (adjusted for inflation -price changes) decreased between 1.1



percent and 3.6 percent as price inflation increased faster than the growth in average wages.

Figure 14 indicates that, in Fall 2025, employees with a high school education earn CI\$18.56 per hour on average, while post-secondary or technical-vocational graduates earn CI\$23.50 per hour, and college/university graduates earn CI\$41.37 per hour. This shows a clear distinction between earning potential and educational attainment; for instance, a university graduate earns more than 2.2 times the hourly rate of a high school graduate and about 1.8 times that of a holder of a post-secondary diploma or a technical-vocational qualification.

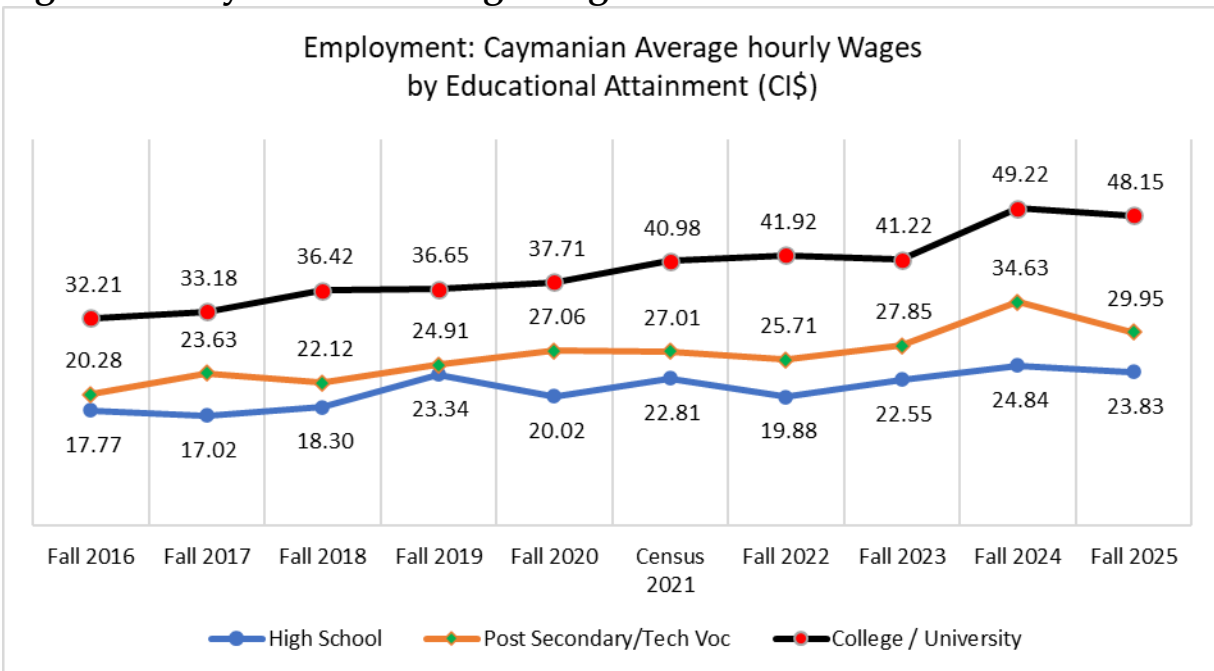
Figure 14: Average Wages based on Educational Attainment



For Caymanians, the analysis yields similar results (Figure 15). In 2025, a college/university graduate was earning CI\$48.15 per hour on average, compared with post-secondary/technical-vocational and high school graduates, who earned CI\$29.95 and CI\$23.83 per hour, respectively.

Again, for Caymanians, this shows a higher earning potential associated with higher education: a university graduate earns more than 2.0 times the hourly rate of a high school graduate and about 1.6 times that of a holder of a post-secondary diploma or a technical-vocational qualification. The gap (difference between educational levels) in Caymanian earnings power is narrower than the overall labour-market gap.

Figure 15: Caymanian Average Wages based on Educational Attainment



The market wage is the average wage paid to both Caymanians and non-Caymanians. In comparing averages across status, Caymanians' wages exceed those of non-Caymanians at all educational levels. For example, in 2025, the Caymanian wage rate was 28.5 percent higher for university graduates and 52.3 percent higher for post-secondary/technical-vocational graduates (see Figures 16 and 17). This indicates that the Caymanian average wage rate exceeds the non-Caymanian average wage rates across different levels of educational attainment and for the entire 10 years of this review. The average wage gap/differential between Caymanian and non-Caymanian wage rates is narrower among university graduates than among technical and vocational graduates.

Figure 16: Caymanian and Non-Caymanian Wage Differential

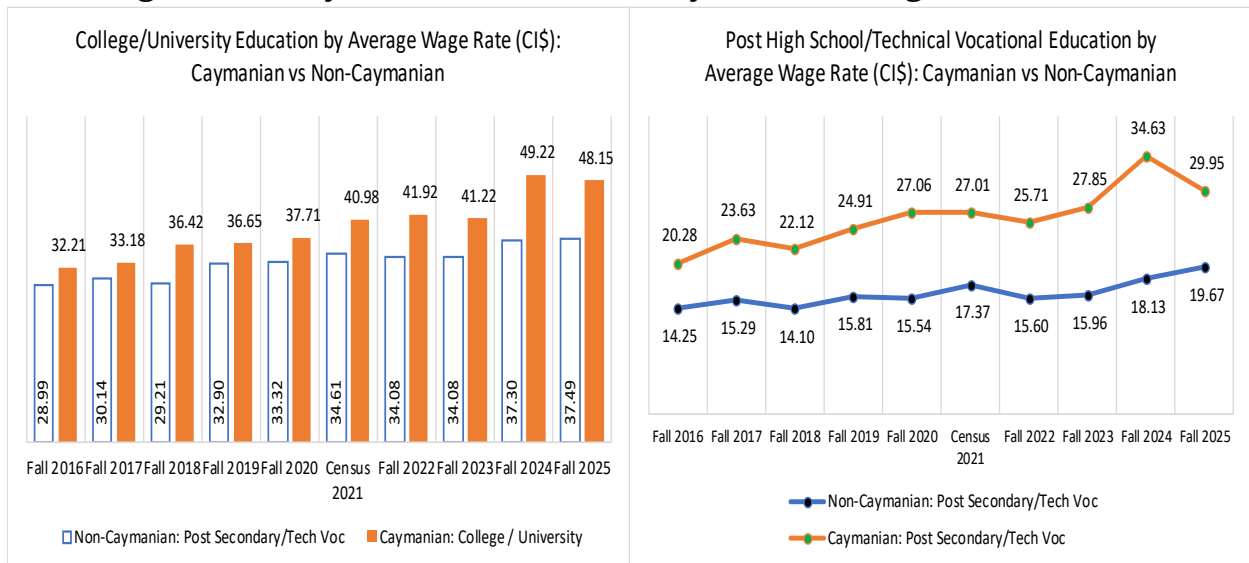
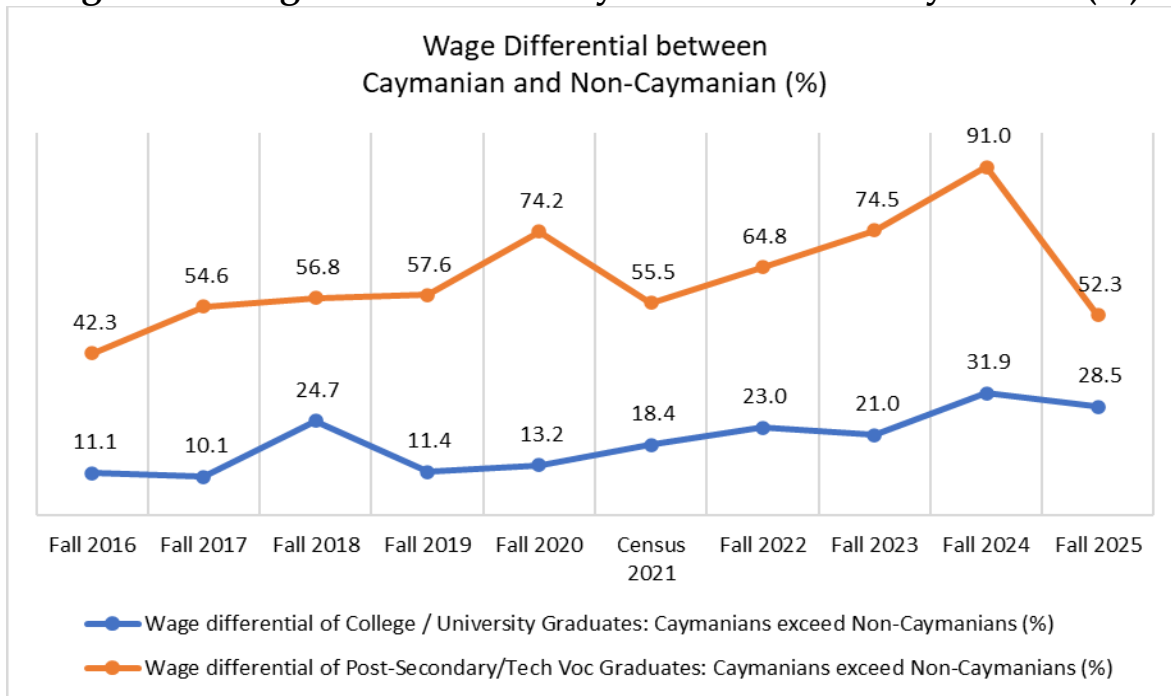


Figure 17: Wage Differential: Caymanian vs non-Caymanian (%)



Job Training and Promotion.

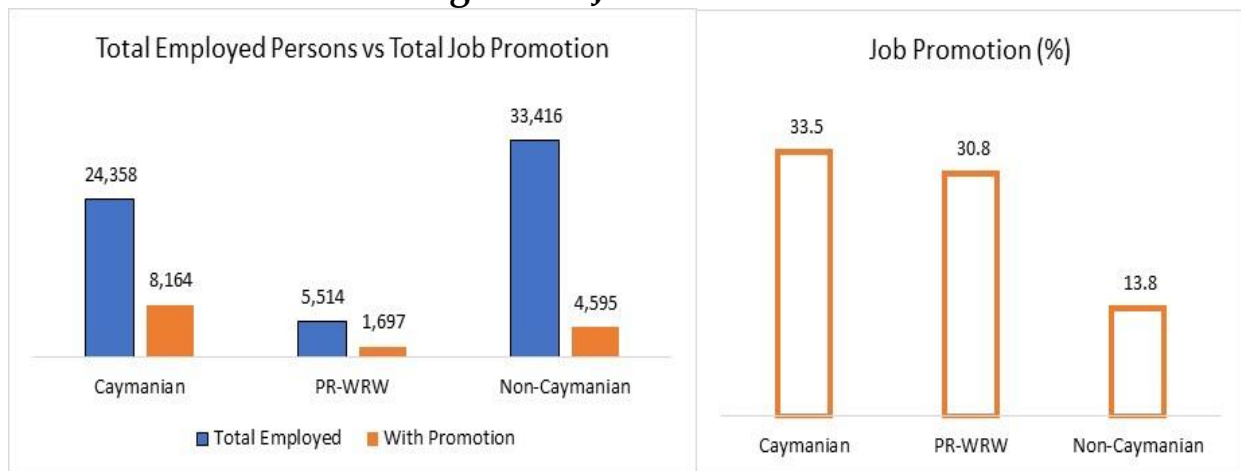
Training is essential for job promotion, as it develops skills, increases performance, and adds value to organizations. Training and development use planned educational activities to improve employees' knowledge,

skills, and abilities. It focuses on immediate, job-specific skills for current roles, while development takes a broader, long-term approach to prepare employees for future roles and career progression.

Training. In the 2025 Labour Force Survey report, approximately 68.2 per cent of the employed population had some form of occupational training, with 68.6 per cent of Caymanians and 67.4 per cent of non-Caymanians. With a high proportion of trained employed persons, these skills and knowledge signal a competitive labour market. Further analysis showed that Job-specific training was at 30.0 percent across the employed labour market, with Caymanians higher at 34.0 percent.

Job promotion. Job promotions are essential for enhancing employee performance, increasing motivation, fostering adaptability, and ensuring an organisation's competitive advantage by building a skilled, motivated workforce. Of the 63,289 employed persons in the 2025 labour force survey report, 22.8 percent (14,456 persons) have been promoted at their current place of work. Caymanian promotion led with 33.5 percent followed by permanent residents and non-Caymanians with 30.8 and 13.8 percent, respectively (see Figure 18).

Figure 18: Job Promotion

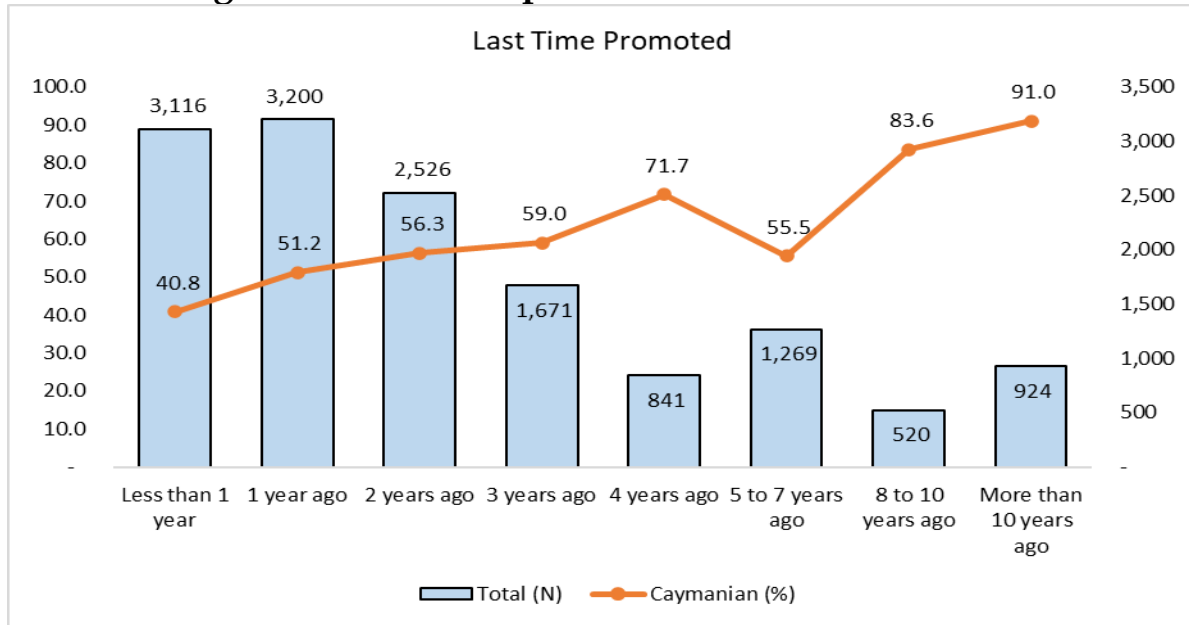


Over the last 2 years, Caymanian job promotion rates in the labour force slowed slightly, from 34.6 percent to 33.5 percent. This is consistent with

the overall labour market promotion, which slowed from 23.2 percent in 2024 to 22.8 percent in 2025.

Further, at least 40.8 percent of Caymanians received a promotion in the last year, and by the 10th year, 83.6 percent would have received at least one promotion (see Figure 19). Further, approximately 14,456 (or 22.8%) of the Fall 2025 employed labour force received a promotion within the first five years of employment (78.5%); for Caymanians, it was 72.5 percent.

Figure 19: Last time promoted relative to Fall 2025



While 22.8 percent of the employed population received a job promotion, 77.2 percent did not in Fall 2025. As depicted in Table 12, approximately 53.9 percent had no opportunity for job promotion, while another 18.0 percent were never given reasons, leaving them without the opportunity to strive for future upward mobility.

Table 12: Main Reasons for No Job Promotion

Reasons given for not receiving job promotion				
Main reasons for no job promotion	Total	%	Caymanians	%
No opportunity for promotion	26,475	53.9	7,841	47.8
Never given a reason	8,854	18.0	2,313	14.1
Other (not stated)	5,973	12.2	2,909	17.7
Need more experience	2,000	4.1	1,112	6.8
No vacancy for staff promotion	4,055	8.3	1,306	8.0
Need more formal training	903	1.8	555	3.4
Other employees are more deserving	462	0.9	99	0.6
Budget constraints	240	0.5	102	0.6
Lack of Soft Skills necessary to do the job	100	0.2	100	0.6
Lack initiative	55	0.1	55	0.3
	49,117		16,391	

5. UNEMPLOYMENT

Persons who, during the reference period, were (a) without work, (b) currently available for work, and (c) actively looked for a job within the last four weeks or had definite arrangements to start a job within four (4) weeks.

The unemployment rate provides a good depiction of the extent to which residents who are ready to work are actually able to find and start a job. In other words, it expresses the labour market's ability to satisfy residents' explicit demand for jobs at a point in time (the reference period).

In accordance with international standards as published by the International Labour Organisation (ILO)³, to accurately measure the unemployment rate, three conditions must be met: 1) persons must not be working, 2) be seeking a job within four weeks of the reference period, and 3) be available to start working within a short period if a job becomes available. This definition is widely accepted regionally and internationally as the official definition of unemployment and is adopted by the ESO in all labour force surveys. In analysing unemployed persons in the labour market, the subcomponents will be dissected.

Persons not working. The number of unemployed persons is derived from the pool of individuals aged 15 and over who are not in employment, depicted in Table 13. In Fall 2025, the number of persons not working was estimated at 14,601, of whom 75.0 percent were Caymanians.

The number of persons aged 15 and over who are not working includes students in training, the elderly/retired, those with infirmities/disabilities, those with illnesses, seasonal inactivity, persons not legally allowed to

³ https://weso-data.ilo.org/definitions-and-metadata/#:~:text=According%20to%20the%20ILO%2C%20unemployment%20is%20defined,%20Potential%20lab or%20force%20*%20Time%2Drelated%20underemployment

work, those who do not want to work, and those who are tired of looking for a job. It is important to remember that the unemployment rate focuses on persons defined as unemployed and says nothing about persons in employment or those outside the labour force.

Table 13: Number of Persons Not Working (Fall 2022-2025)

	Fall 2022	Fall 2023	Fall 2024	Fall 2025
	Number of persons			
No. of Persons not working	13,028	14,299	15,914	14,601
Potential labour force	803	800	852	726
<i>No of persons available but no seeking</i>	679	712	770	627
<i>No of persons seeking but not available</i>	125	88	82	99
Unemployed (looked and available for work)	1,227	2,008	1,435	1,700
Persons Not in the Labour Force (not looked, nor available for work)	10,997	11,491	13,627	12,175

Overall, as a proportion of the Fall 2025 working-age population (15+), the number of persons not working was 18.7 percent. The rate was higher for Caymanians, at 31.0 percent. Immigration policies have significantly contributed to the disparity in the proportion of persons not working, as work permits are typically granted to economically active non-Caymanians.⁴ For Caymanians, the dependent population (those aged 65 and older and those aged 15+ with dependencies) would be included in the calculation.

⁴ Persons aged 15 years or older contributing or available to contribute to the production of goods and services according to the United Nations System of National Accounts. Two useful measures of the economically active population are the “usually active population” and the “currently active population.” The “usually active population” refers to the population whose economic activity occurred in the 12 months prior to the survey reference week, while the “currently active population” refers to the population whose economic activity occurred during the reference week.

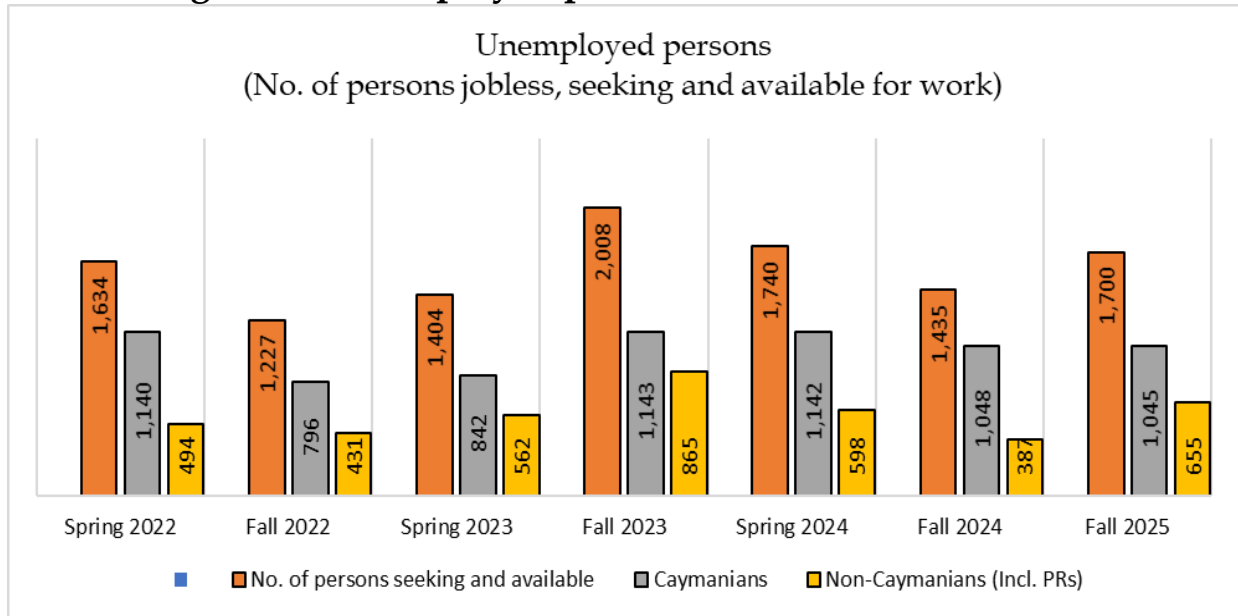
Table 14: Number of Caymanians Not Working

	Fall 2022	Fall 2023	Fall 2024	Fall 2025
	Number of Caymanians			
No. of Persons not working	9,566	10,096	11,627	10,953
Potential labour force	548	552	575	425
<i>No of persons available but no seeking</i>	495	514	493	403
<i>No of persons seeking but not available</i>	53	38	82	22
Unemployed (looked and available for work)	796	1,143	1,048	1,045
Persons Not in the Labour Force (not looked, nor available for work)	8,222	8,400	10,004	9,483

Unemployed (Persons Jobless, seeking, and available for a Job). The proportion of the jobless population seeking and available for employment is displayed in Figure 20. In Fall 2025, the total number of unemployed persons was 1,700, of whom 1,045 were Caymanians, and 655 were non-Caymanians (including PR holders).

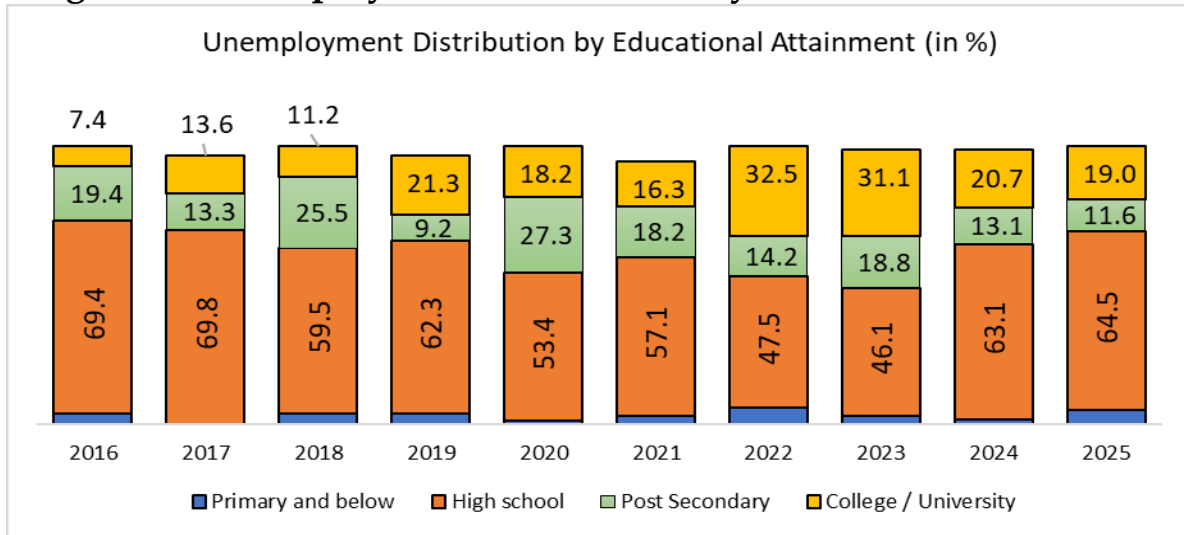
Why are there unemployed non-Caymanians? Non-Caymanians are generally employed under strict guidelines of the work permit regime, which include permanent residents with the right to work. Work permit holders are mostly restricted to working for the holder of the approved permit (an individual or organisation), while PR holders are generally confined to approved occupation(s). Further, non-Caymanians without work authorisation are required to leave the jurisdiction if their presence on the island was based solely on that work permit. Therefore, unemployed non-Caymanians meeting the unemployment conditions mainly fall into (1) dependents of work permit holders and holders of permanent resident certificates, (2) permanent residents who are allowed to change jobs within their approved occupations, (3) work permit holders with an inactive work permit (transitioning between jobs), or pending permit approval. Nonetheless, regardless of legal authorisation to work, the labour market includes all participants considered residents of the Cayman Islands. In essence, the work permit regime is a process for authorising non-Caymanians with a job offer to work when a Caymanian is unavailable for one reason or another; hence, there is no restriction on non-Caymanians' interest in seeking work.

Figure 20: Unemployed persons between 2022 and 2025



Unemployed Labour Market Educational Attainment. The unemployment distribution, as shown in Figure 21, indicates that the majority of unemployed persons are high school graduates, and in recent years, there has been an uptick in university graduates. In 2024 and 2025, the educational attainment of unemployed persons was high school graduates with 63.1 percent and 64.5 percent, respectively. This was followed by 1 in 5 unemployed persons graduating from university and 1 in 10 persons with a post-secondary/Technical-Vocational qualification. While high school education is a general form of training, university and technical vocations are mostly specialised, and therefore, it is reasonable to expect that, in a small economy with limited economic diversification, some unemployed persons with specialised training will experience delayed absorption into the employed workforce.

Figure 21: Unemployment Distribution by Educational Attainment



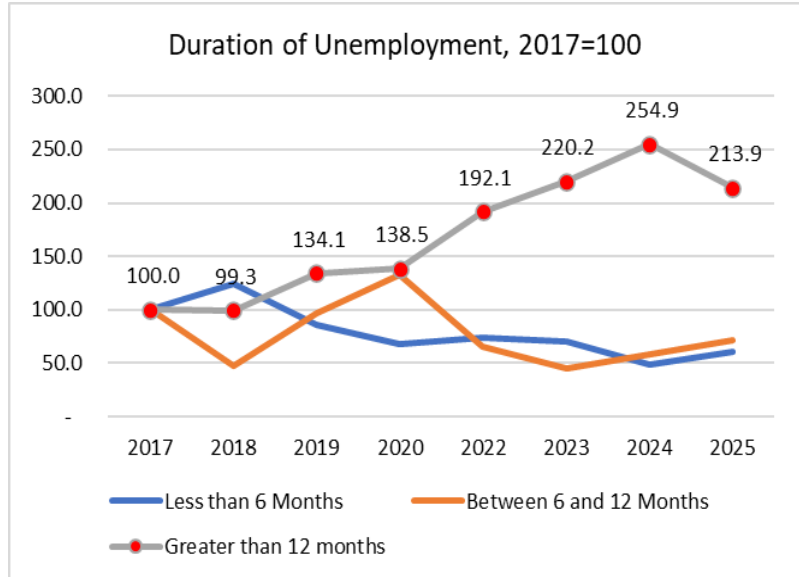
The duration of unemployment provides an indication of its severity as it measures the length of time persons are without a job while actively seeking work. Long-term unemployment is commonly defined as being out of work for 12 months or longer. While short-term unemployment is classified as less than 12 months, prolonged long-term unemployment may require strategic intervention training to reabsorb into the employed labour market. Long-term unemployment tends to be structural, and recovery requires a structured routine, proactive upskilling, and networking.

Despite the number of individuals meeting the criteria for unemployment, some jobless individuals have not actively sought employment. Table 15 displays the last time some job seekers looked for work. Between 2023 and 2025, more than half of the unemployed population had been out of work for more than 12 months.

Table 15: Length of time without work

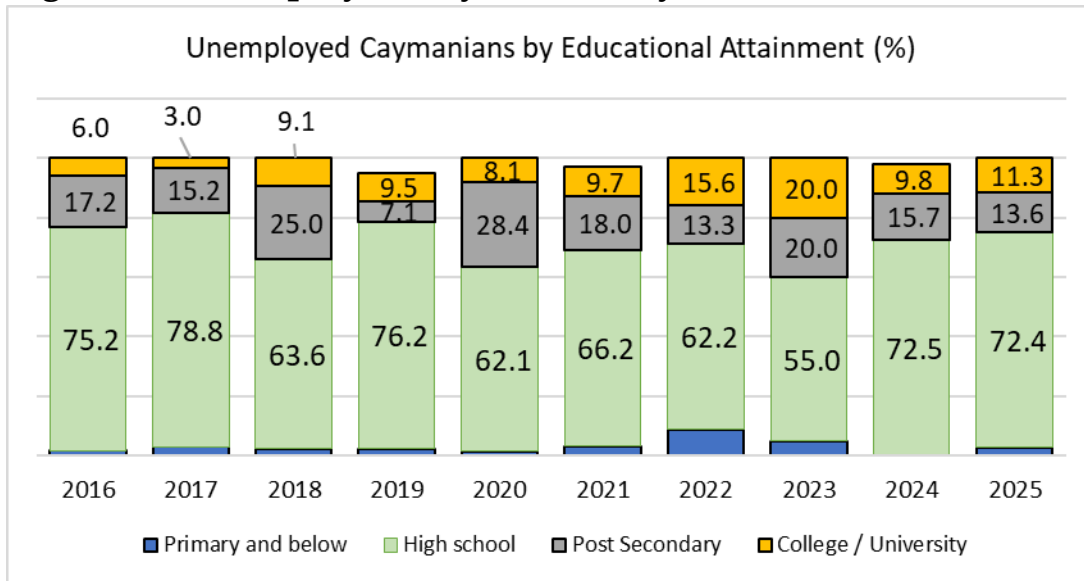
	2016	2017	2018	2019	2020	2022	2023	2024	2025
<i>Time without Work - Summary</i>	Percent (%)								
Less than 6 Months	49.0	48.8	63.7	45.1	35.0	38.8	37.0	25.6	32.1
Between 6 and 12 Months	39.1	22.2	11.1	23.1	31.3	15.7	10.8	13.9	17.2
Greater than 12 months	4.2	22.1	23.0	31.8	32.4	45.5	52.2	60.4	50.7

Beyond the duration of unemployment is the change in duration over time. While short-term unemployment improved over time, as shown in the *duration-of-unemployment index* chart, long-term unemployment worsened between 2017 and 2025. The duration rate is not designed to track unemployed persons, but the data suggest that a higher proportion of short-term unemployment is being carried over into long-term unemployment.



Educational attainment of the unemployed Caymanians. The data shows that Caymanian unemployment is prevalent among high school and post-secondary school graduates; combined, they accounted for 88.2 percent and 86 percent in 2024 and 2025, respectively (see Figure 22). On average, college graduates make up about 10.2 percent between 2016 and 2025. The dominant group among the unemployed Caymanians has been high school graduates throughout the 10-year review period.

Figure 22: Unemployed Caymanians by Educational Attainment



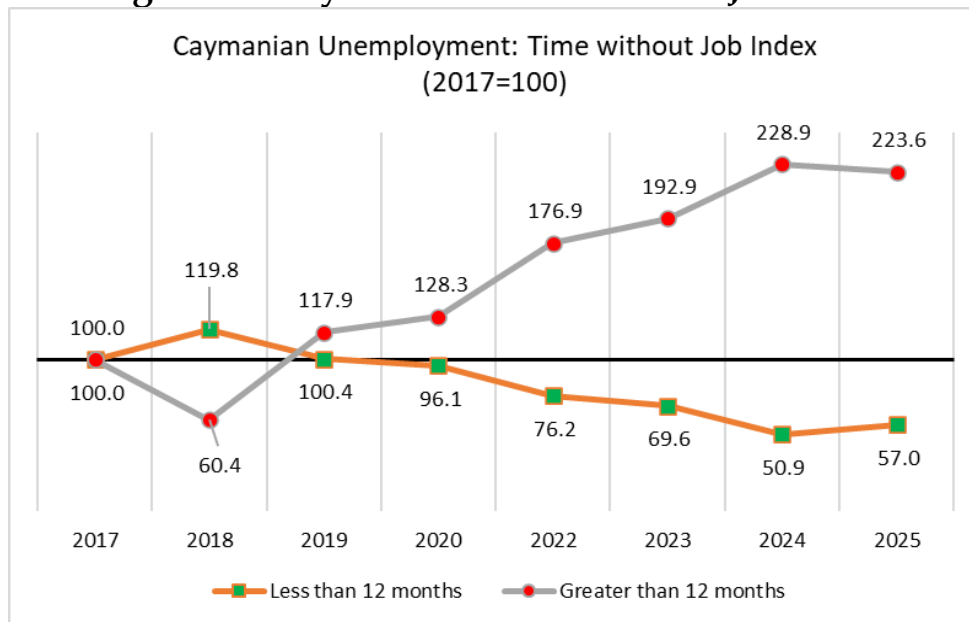
Time without work among unemployed Caymanians. In addition to the preponderance of unemployed high school graduates. The level of short-term (12 months or less) unemployed Caymanians declined over the review period. Specifically, Table 16 and Figure 23 show that among persons who previously had a job, short-term employment declined from 895 (67.2%) in 2017 to 302 (38.4%) in 2025. Alternatively, long-term (more than 12 months) unemployment increased from 367 persons (27.6%) in 2017 to 486 persons (61.6%) in 2025. This suggests that short-term unemployment in prior years leads to long-term unemployment in the latter years.

Table 16: Caymanian’s length of time without work, Fall 2025

	2016	2017	2018	2019	2020	2022	2023	2024	2025
Total	1,406	1,515	996	1,201	1,759	796	1,143	1,048	1,045
<i>Of which: Previously had a job</i>	<i>1,236</i>	<i>1,331</i>	<i>815</i>	<i>1,143</i>	<i>1,545</i>	<i>725</i>	<i>895</i>	<i>781</i>	<i>788</i>
Time without Work - Summary	Percent (%)								
Less than 6 Months	52.1	43.1	69.4	42.5	33.8	34.2	34.0	21.0	26.9
Between 6 and 12 Months	34.0	24.1	11.1	25.0	30.8	17.1	12.8	13.2	11.5
Greater than 12 months	4.9	27.6	16.7	32.5	35.4	48.8	53.2	63.1	61.6

Long-term unemployment is usually associated with structural changes in the economy; that is, the economy's requirements have moved beyond the skills of the unemployed.

Figure 23: Caymanian Time Without Job Index



In curbing long-term unemployment, a common strategy is upskilling and retraining to bridge skill gaps, that is, by comparing the skills of unemployed persons with the economy's employment skill needs. Additionally, some countries increase support for small and medium-sized enterprises to spur job creation and ownership. Improvement in job placement services can be achieved by increasing awareness of job openings and providing efficient placement support, thereby reducing the time it takes people to find jobs.

Why are there Unemployed Caymanians? Even in a strong economy with many job openings, unemployment persists among Caymanians, which suggests recurring mismatches between available jobs and the workforce, labour market frictions, and market imperfections. These labour market frictions can take the form of job search costs, skills mismatches, and informational barriers that prevent workers and employers from finding the perfect job match, leading to unemployment. Other factors that are

equally important but require in-depth research include employer preferences and expectations, limited affordable childcare options, health issues, cultural expectations, and labour-market opportunity costs (the social safety wage exceeds the minimum wage).

While the reasons presented are universal and will require specific research supported by empirical evidence in the Cayman context, they provide plausible explanations. Available jobs in the local economy often require a combination of specialised and soft skills that job seekers may lack. In such cases, the education system will need to be nimble enough to adjust the curriculum to meet market needs, especially regarding supervised work ethics (e.g., a requirement of at least 3 two-month internships for graduation). Mandatory internships can enhance the skills and experience of university graduates who may lack the direct, paid work experience or the specific technical skills employers require. In cases where job seekers specialise in academic disciplines that are not easily absorbed in a small, service-concentrated economy, this can be mitigated by introducing career guidance in high schools and university internships.

On the employer side, preferences or biases could play a role in Caymanian unemployment, as employers may prefer work permit holders, who create fixed contractual obligations for the duration of the permit, thereby limiting qualified Caymanians from securing jobs. The possibility of work permits not being renewed serves as a performance evaluation mechanism to guarantee the work permit holder's job performance. In addition, acceptance of below-market wages for skilled and semi-skilled work permit holders.

Other reasons Caymanians may not be working include long-term illness, family care, or returning to school. In some cases, job opportunities might exist, but the pay does not cover the high costs of childcare, transportation, or living expenses, making employment unviable for some. This is even more likely when the social assistance programs exceed the market wage for high school graduates. Upskilling job seekers to at least post-high school/technical vocational certification would increase the earning power

by approximately 26 percent for Caymanians. The availability of wealth and the social safety net bolster job-market opportunity costs, which could keep some Caymanian workers unemployed longer than necessary while they search for better jobs rather than accepting low-quality or temporary positions.

⁵Table 17: Labour Market Jobs occupied by primary to high school graduates, 2025

	Total	No minimum	Some high school	High school diploma	Total	No minimum	Some high school	High school diploma
	Percent (%) of Jobs held by Caymanians							
Labour Intensive Services	12,924	4,334	3,979	4,611	26.0	23.1	27.7	27.4
Government Services	2,213	341	491	1,382	84.4	84.7	92.1	81.6
Financial Services	584	76	75	432	74.8	70.4	100.0	71.2
Others Services (personal & households)	3,954	1,814	1,370	770	11.7	10.3	8.2	21.5
Others	2,390	769	404	1,218	67.2	60.5	76.5	68.5
Total	22,065	7,333	6,320	8,412	35.1	27.2	32.5	43.9

As displayed in Table 17, the economy is producing jobs that require the skills of high school graduates. The economy currently produces approximately 22,065 jobs that require a high school diploma or less. Of these jobs, 35.1 percent (or 7,741) are occupied by Caymanians and the remainder by non-Caymanians. Despite the job count, cultural, psychological, financial, and physical factors could limit the number of jobs Caymanians are willing to accept. Take, for example, most of the jobs in the ‘other services’ category are household workers (domestic helpers and gardeners), with the ‘labour-intensive services’ including hotel and restaurant workers, construction workers, security guards, and janitors.

⁵ Labour-intensive industries are those that heavily rely on physical labour: Construction, Hotels & restaurants, Wholesale & retail trade, and Administrative & support service activities (security guards, janitors, etc.). Government services include Public administration & defense, Education services, and Human health & social work.

Financial Services include Financial & insurance services and Professional, scientific & technical activities. Other industries include Agriculture & fishing, Mining & quarrying, Manufacturing, Electricity, gas & air conditioning supply, Water supply, sewerage & waste management, Transport & storage, Information & communication, and Real estate activities.

While low-skilled jobs are available, Caymanians do not readily demand them for one reason or another, hence creating involuntary unemployment.

Table 18 shows that most unemployed persons have a reliable social safety net. Approximately 7 out of 10 unemployed Caymanians rely on family for financial assistance; in 2025, it was about 78.3 percent. Social services account for 13.7 percent and 11.2 percent for 2024 and 2025, respectively. This is in keeping with the existence of a reliable social safety net, which can contribute to long-term unemployment.

Table 18: Caymanian Financial Support

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Financial Support	1,407	1,494	996	1,201	1,759	1,803	796	1,143	1,048	1,045
Parents	527	574	339	429	594	552	265	381	431	564
Spouse/Partner	322	230	249	257	547	393	265	286	185	213
Other relatives & friends	130	184	158	257	166	171	141	210	41	41
Savings/Investments	193	138	136	29	238	256	88	76	103	52
Social Services	22	184	91	172	119	257	18	19	144	117
Pension/Veteran/Seaman	43	138	23	-	95	75	18	95	21	8
Other	170	46	-	57	-	72	-	76	103	50
DK/NS	-	-	-	-	-	26	-	-	21	-
	Percent (%)									
Family	69.6	66.1	75.0	78.6	74.3	61.9	84.4	76.7	62.7	78.3
Savings and Investment	13.7	9.2	13.6	2.4	13.5	14.2	11.1	6.7	9.8	5.0
Social services	1.6	12.3	9.1	14.3	6.8	14.3	2.2	1.7	13.7	11.2
Pension (veteran, seaman)	3.1	9.2	2.3	-	5.4	4.2	2.2	8.3	2.0	0.7
other	12.1	3.1	-	4.8	-	4.0	-	6.7	9.8	4.8
DK/NS	-	-	-	-	-	1.5	-	-	2.0	-

The main reason cited by Caymanians for not working is that they are tired of looking and no work is available. This is common among persons of employment age who are not actively seeking employment or who have not found employment after long-term unemployment, but who would prefer to be working. After a prolonged period without success in a job search, individuals who have given up the search are considered "discouraged," which accounts for 57.1 percent (or 597 persons) in 2025 (see Table 19).

Table 19: Caymanians ' main reasons for not working

	2017	2018	2019	2020	2022	2023	2024	2025
Total	1,516	996	1,201	1,759	796	1,143	1,048	1,045
Main reasons for not working	Percent (%)							
Student 15+ / in training	10.6	6.8	9.5	6.8	6.7	10.0	13.7	19.7
Home / family duties	9.1	4.5	7.1	4.1	6.7	5.0	5.9	14.3
Retired/Elderly	1.5	2.3	2.4	1.4	-	8.3	-	0.7
Medical reasons	9.1	-	2.4	2.7	8.9	15.0	5.9	3.3
Seasonal inactivity	3.0	2.3	2.4	2.7	-	1.7	-	1.4
Discouraged workers (no work available/tired of looking)	63.6	77.3	69.0	76.7	72.1	55.0	60.8	57.1
Don't want to work/other reasons	3.0	6.8	7.1	5.5	4.7	5.0	13.7	3.5