

The Vermont Labor Market Quarterly

A newsletter of the Economic & Labor Market Information Division of the Vermont Department of Labor

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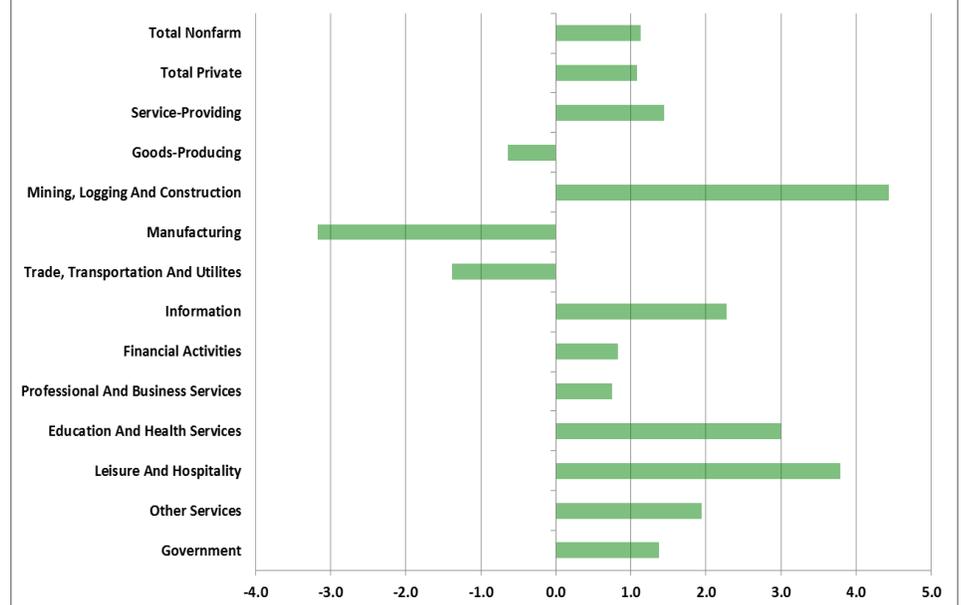
A Review of the Vermont Economy in 2015

The most recent recession ended in June of 2009. The ongoing expansion continued in 2015 with Vermont's per capita personal income increasing \$1,223 or 2.6%. Nationwide, personal incomes grew by 2.4 percent over the year. While annual state-level Gross Domestic Product figures are not yet available, the Vermont economy grew by 2.3% during the first three quarters of 2015 while the US economy grew by 2.5% during the same period.

The labor market in Vermont also continued to strengthen. The December 2015 employment estimates show a new seasonally adjusted high of 320,900 jobs in the state, an increase of 3,600 (1.1%) over the year. This represents the sixth straight year of employment gains in the Current Employment Statistics series. Private industry added 2,800 jobs over the year while Government added 800, focused primarily in state government education. Employment gains in the private sector were found each industry except Durable Goods Manufacturing (-1,000) and Trade, Transportation & Utilities (-800). The largest gains occurred in Health Care & Social Assistance (+1,500), Leisure & Hospitality (+1,400) and Construction (+700). For more detailed information about Vermont's labor market since the recession, see the analysis on page 3.

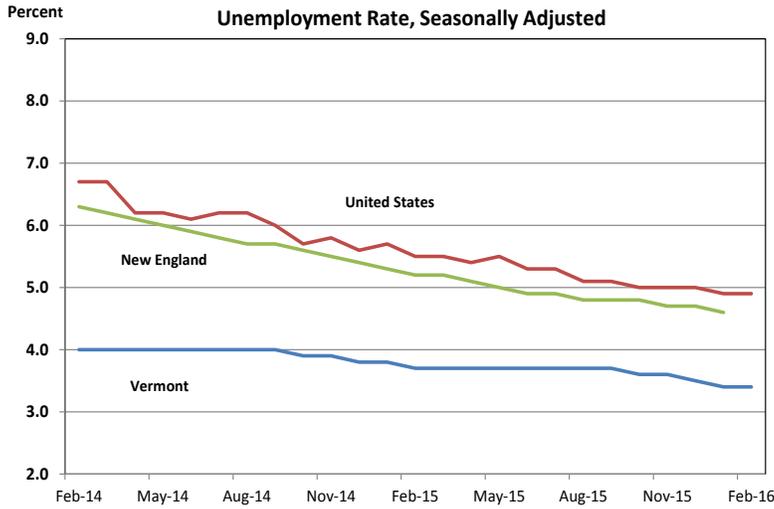
The Economic & Labor Market Information Division (ELMI) of the Vermont Department of Labor is a primary source of labor market information in Vermont. We provide detailed information about current employment patterns, labor market trends and workforce utilization for the state of Vermont and various sub-state geographies. ELMI administers labor market data programs in collaboration with our federal partners at the Bureau of Labor Statistics and the Employment & Training administration. This newsletter was produced with support from the U.S Department of Labor's Employment & Training Administration.

December 2015 Over-the-year Percent Change by Major Industry, not seasonally adjusted



The state's unemployment rate fell from 3.8% in December, 2014 to 3.5% in December of 2015. The seasonally adjusted rate did not increase in any month over the year. The decline was caused by a combination of a significant drop in the number of unemployed (8.7%, from 13,250 to 12,100) and a much smaller proportional decline in the number of people working (from 333,000 to 331,050, 0.6%). The labor force (those employed plus those unemployed) fell from 346,250 to 343,150, a decline of 0.9%. 2015 marks the sixth straight year that the unemployment rate declined over the year. It is also the fifth straight year of decline in the total size of the labor force.

Local Area Unemployment Statistics



The Local Area Unemployment Statistics (LAUS) program produces monthly and annual employment, unemployment, and labor force data for Census regions, states, counties, metropolitan areas, and towns by place of residence. Statewide estimates are derived primarily from a survey of approximately 1,200 Vermont households each month as part of the nationwide Current Population Survey. Monthly Current Employment Statistics figures and weekly unemployment claims are also included in the LAUS model.

The February seasonally adjusted statewide unemployment rate stood at 3.4%, unchanged from the revised January figure and three tenths of a point lower than February 2015. The labor

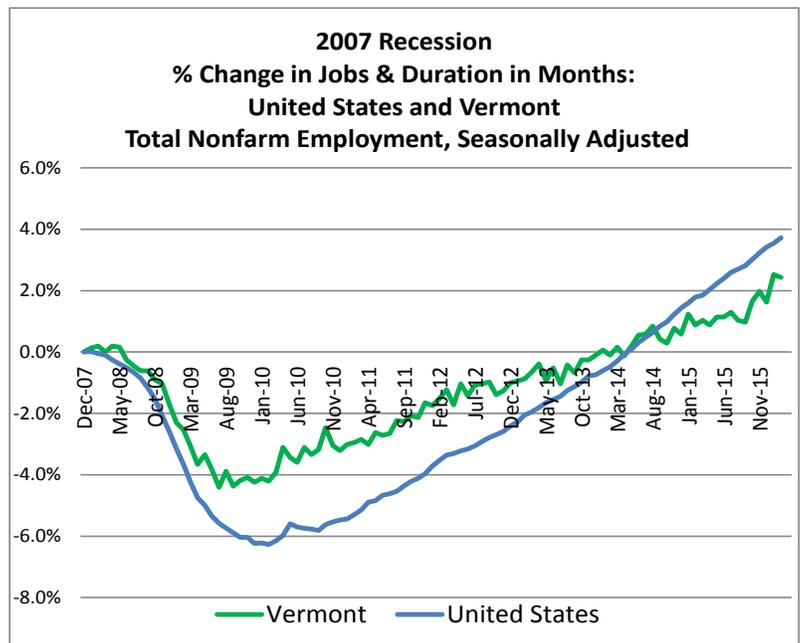
force increased by 600 people while the number of unemployed declined by 150. This marks the seventh straight month that the seasonally adjusted number of unemployed has declined.

Chittenden County continues to have the lowest unemployment rate in the state with a February rate of 2.3%, down one-half of a point from January's 2.8%. Windsor was second lowest at 2.9%. Orleans county had a 7.4% rate, the highest in the state for February. Essex County had the second highest at 7.0%, down from 7.8% in January. The number of unemployed persons either remained the same or declined in every county. In Chittenden, the number of unemployed declined by 450. Other large declines were in Washington County (-250) and Orange County (-100). Sub-state unemployment rates are not seasonally adjusted.

Current Employment Statistics

The Current Employment Statistics (CES) program provides data on employment, hours and earnings of workers on nonfarm payrolls. It is designed to take a monthly 'pulse' of the economy based on historical data and a survey of approximately 2,000 Vermont firms each month.

Total seasonally adjusted nonfarm payroll employment stood at 316,000 as of February. Over the past year employment has increased 4,800 or 1.5% while over the month employment decreased by 300. Over the year the private sector added 4,400 jobs while the public sector added 400. The largest private sector growth was in Education and Health Services, which added 1,800 jobs followed by Construction, which added 1,200. The largest decline was in Durable Goods Manufacturing where 500 jobs were lost.



The Labor Market Since the Great Recession

After more than six years of expansion, the United States economy entered a recession in December of 2007. This recession would prove to be the deepest downturn in many decades, with the US economy shedding over 8 million jobs between January of 2008 and September of 2010. At the deepest point in the recession the economy had lost 6.2% of nonfarm payroll employment. Employment did not fully recover the lost jobs until May of 2014, the longest period between employment peaks since World War II. The US unemployment rate stood at 4.4% in May of 2007, but climbed steadily after that date. It peaked at 10% in October 2009, the highest it had been since June of 1983. Since 2009 the rate has declined to 4.9%.

The impact on Vermont’s labor market, while significant, was not as severe. Vermont’s nonfarm employment reached 309,600 in June of 2007 before falling to 294,900 in July of 2009. This represents a decline of 4.7%. Vermont reached its pre-recession peak again in June of 2014, a period of 59 months between peaks. The state’s employment did not contract as much as the rest of the nation but our recovery was slightly slower. Notably, the recovery was much faster in the Chittenden County area than in the rest of the state. This fits with a national pattern of recovery concentrated in more urban areas.

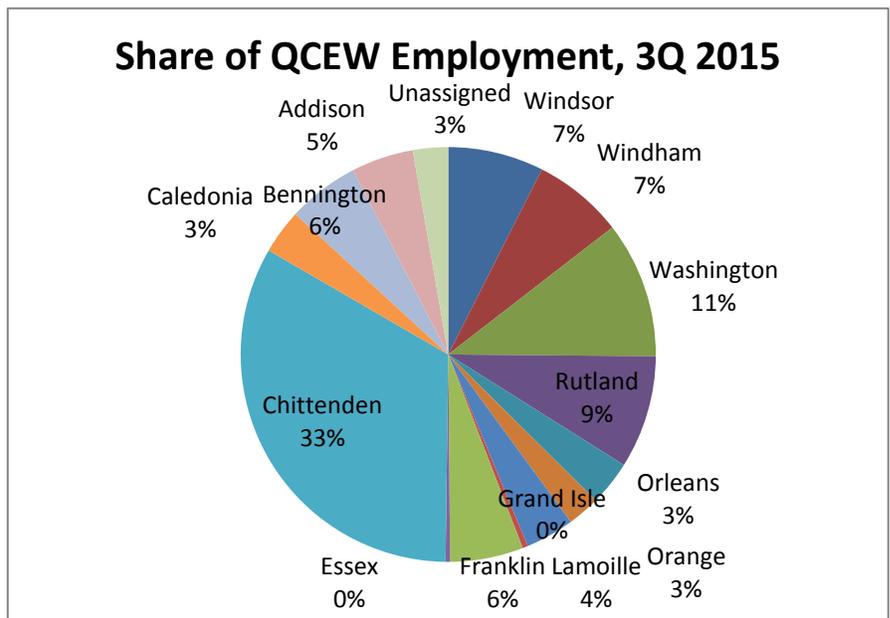
The increase in Vermont’s unemployment rate was also less severe than in the nation as a whole. During the previous expansion Vermont’s unemployment rate fell as low as 3.4% in the spring of 2005. It climbed gradually after that, hitting 4.8% in September of 2008. In the months that followed it increased much more rapidly, eventually reaching 7.0% in May of 2009. This marked an increase of 2.2 points in 8 months. Since that peak it has either remained the same or fallen for 80 straight months. This represents the longest period without an increase in the unemployment rate.

Recent Employment Peaks and Troughs				
Period	Vermont		United States	
	Employment	Date	Employment	Date
Peak of previous expansion	309,600	May-07	138,432,000	Jan-08
Trough of 2007 recession	294,900	Jul-09	129,733,000	Feb-10
Current levels	316,000	Feb-16	143,774,000	Mar-16

Quarterly Census of Employment and Wages

The Quarterly Census of Employment and Wages (QCEW) is a census of all firms covered by unemployment insurance in the state of Vermont. Data collected includes industry type, monthly employment level and wages at each worksite. The most recent published data is the second quarter of 2015. QCEW is not seasonally adjusted.

The most recent QCEW data is from the 3rd quarter of 2015. Statewide, Vermont added 2,104 jobs (0.7%) between the third quarter of 2014 and the third quarter of 2015. Franklin County had the largest percent job growth at 2.9%. Chittenden and Lamoille each added 1.4%. Three counties saw a decline in employment: Addison (-0.8%), Windsor (-0.8%) and Caledonia (-2.0%). Chittenden County accounted for 33.2% of all Vermont employment. Essex County had the smallest share at 0.3% of all employment followed by Grand Isle with just 0.4%. Three percent of Vermont employment is not assigned to a specific county.



Career Planning and Employment Data Resources

The Department of Labor has a wide range of employment resources available to Vermonters seeking to find work, change careers or just explore opportunities. Our staff work to connect Vermont businesses with qualified employees and offer innovative programs to help train motivated individuals. The Economic & Labor Market Information Division also houses data related to occupations, industries, wages, income and labor force utilization for the state and various sub-state geographies.

Career Exploration Resources

American Job Centers: The Vermont Department of Labor has 13 Career Resource Centers throughout the state. These centers can assist with job searches and provide access to online resources.

www.labor.vermont.gov/workforce-development

Start Where You Are explores the variety of occupations available to Vermonters and offers guidance on where to receive the requisite education and training.

www.startwhereyouarevt.org

My Skills My Future is a place to manage your career and create a pathway to success. Tools are available to help students, businesses and career professionals.

www.careeronestop.org

My Next Move helps young people and those changing careers make informed decisions about career choices, including a unique exploration tool that allows the user to search by interests and training. www.mynextmove.org

Vermont Job Link is a free, self-service job matching system for jobseekers and employers. Job seekers can post a resume and apply for positions directly from the site. Job Link is hosted by the VT Department of Labor.

www.vermontjoblink.com

For questions about this newsletter or for more information about the Economic & Labor Market Information Division of the Vermont Department of Labor, please reach us at:

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Resources for Employers

Vermont Small Business Development Center is a source for no-cost business advising and low-cost training for Vermont entrepreneurs. www.vtsbdc.org

The Agency of Commerce and Community Development is a source for information about starting, expanding and relocating a business in VT.

www.accd.vermont.gov/business

Economic & Labor Market Data

From our homepage at www.vtlni.info, Vermonters can access a wide range of labor market data. This includes all of the background data for sections of this newsletter as well as occupational and industrial projections, wage ranges and quintiles by occupation, fringe benefits comparisons, per capita incomes, an employer database, quarterly workforce indicators and assorted related data. Other sources for labor market data include:

The United States Bureau of Labor Statistics www.bls.gov.

The Employment and Training Administration
www.doleta.gov

Vermont Department of Labor
labor.vermont.gov