

### Introduction

The labor force is defined as the sum of employed persons and unemployed persons (those willing and able to work who have sought work in the past month). While the components of the labor force change with business cycles, the overall size of the labor force is more closely related to long-term demographic trends. Vermont's labor force has grown by about 44% since 1979.

This edition of Kevin's Corner is the first in a series reviewing regional labor force changes in Vermont. This first edition looks at changes in Vermont's Northeast Kingdom, defined here as Caledonia, Essex and Orleans Counties. Later editions of Kevin's Corner will follow this same format with reviews of the Burlington region and southern Vermont. For each, we will first review statewide changes as a basis of comparison, followed by an analysis of the region and finally, a brief review and comparison of the component counties.

### Sources

Local Area Unemployment Statistics (LAUS) is a program of the Economic & Labor Market Information Division in cooperation with our federal partners at the United States Bureau of Labor Statistics. LAUS data uses data from the Current Population Survey (CPS), Vermont's Unemployment Insurance program, and Current Employment Statistics to generate monthly estimates of the number of Vermonters employed and unemployed (combined, the labor force). This review relies on annual averages for each year. All LAUS data can be found at the data tool on our website [here](#).

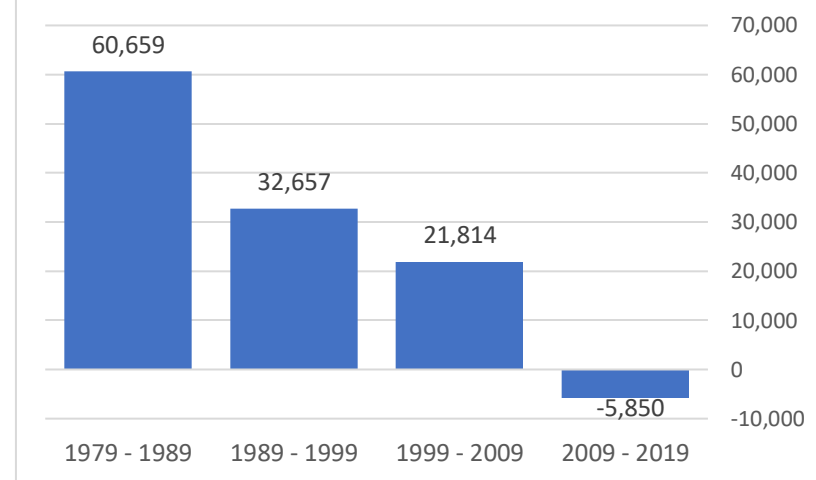
Within this report we will review 10-year changes in annual average labor force figures. The statewide analysis begins with 1979. The Labor Market Information Division and the US Bureau of Labor

Statistics first produced county-level labor force data in 1990. In order to prevent pandemic changes from impacting the decennial analysis we end that portion of analysis with 2019, resulting in slightly incongruent periods: 1990 to 1999 followed by 1999 - 2009 and 2009 - 2019. A review of those periods will be followed by a brief review of pandemic-era changes.

### Vermont Statewide, 1979 – Present

Vermont's labor force grew by 43.7% between 1979 and 2023. This growth was not evenly distributed across the decades. Between 1979 and 1989 the labor force expanded by 60,659 persons or 24.8%, by far the fastest growth rate in the series. In the decade that followed (1989 – 1999) it grew by 32,657 or 10.7%. Between 1999 and 2009 growth slowed to 6.5% (+21,814 people). Between 2009 and 2019 the growth stopped and Vermont's labor force declined by 5,850 people (-1.6%). See Chart 1.

Chart 1: Change in Annual Average Vermont Labor Force by Decade

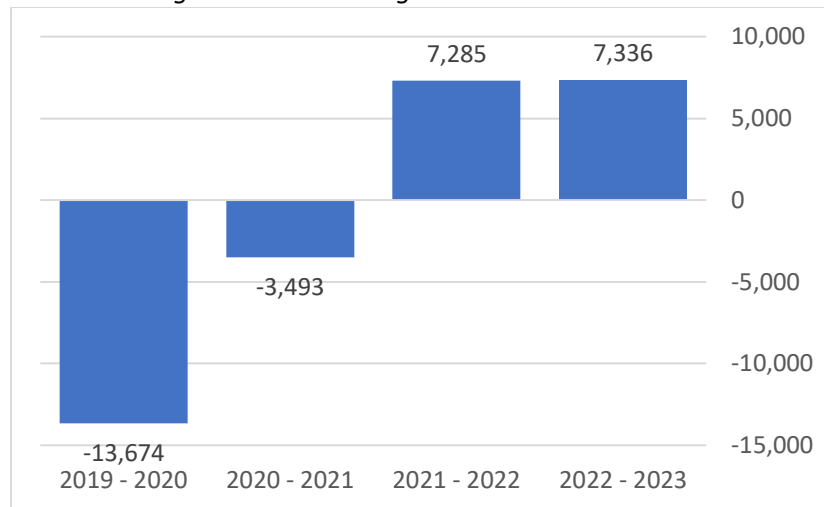


Kevin's Corner is an occasional review of Vermont economic and demographic data. It is written by Kevin Stapleton, Assistant Director of Economic & Labor Market Information (E&LMI) with support from E&LMI staff. Kevin can be reached at [kevin.stapleton@vermont.gov](mailto:kevin.stapleton@vermont.gov). For more information visit our website at [www.vtlni.info](http://www.vtlni.info).

### Statewide Pandemic – Era Labor Force Changes

The impact of the COVID pandemic can be seen in Vermont’s 2020 labor force data. On a monthly basis the labor force declined by 13,256 between April and May of 2020, by far the largest monthly decline in the series. On an annual basis the labor force declined by 13,674 Vermonters (-3.9%) in 2020. By 2023 the labor force had regained all but 2,546 (0.7%) of its 2019 figure. See Chart 2.

Chart 2: Change in Annual Average Labor Force Since 2019

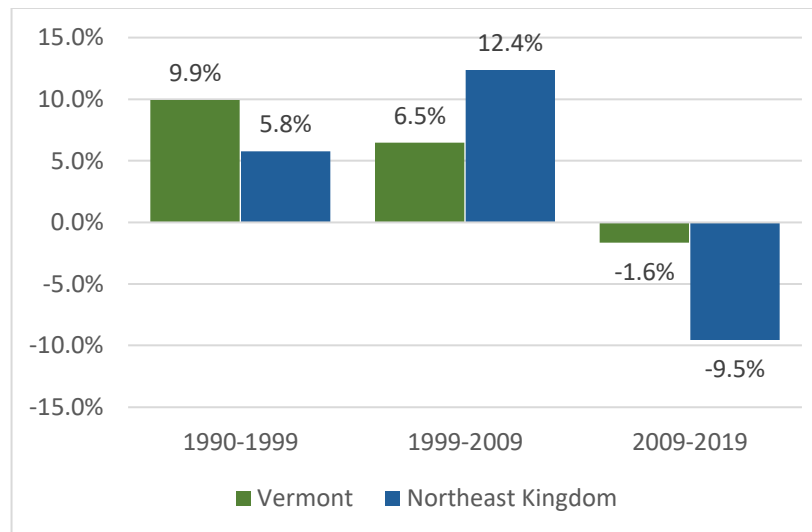


### The Northeast Kingdom, 1990 – Present

During the 1990s the labor force of the Northeast Kingdom increased by 1,684 (+5.8%). That growth rate was just over half the rate of the state as a whole (+9.9%). Growth in the Kingdom accelerated in the 2000s with the labor force expanding by 3,802 (+12.4%) between 1999 and 2009. In contrast to the previous decade, this growth outpaced the statewide average of 6.5%. This rapid growth, however, would sharply reverse in the next decade. Between 2009 and 2019 the Northeast Kingdom’s labor force contracted by 3,297 (-9.5%), giving up most of the gains from the previous decade. While most regions of the state experienced labor force declines during this period, the declines in the Northeast

Kingdom were far larger than the statewide average of -1.6%. See Chart 3.

Chart 3: NEK and Vermont Labor Force Growth Rates



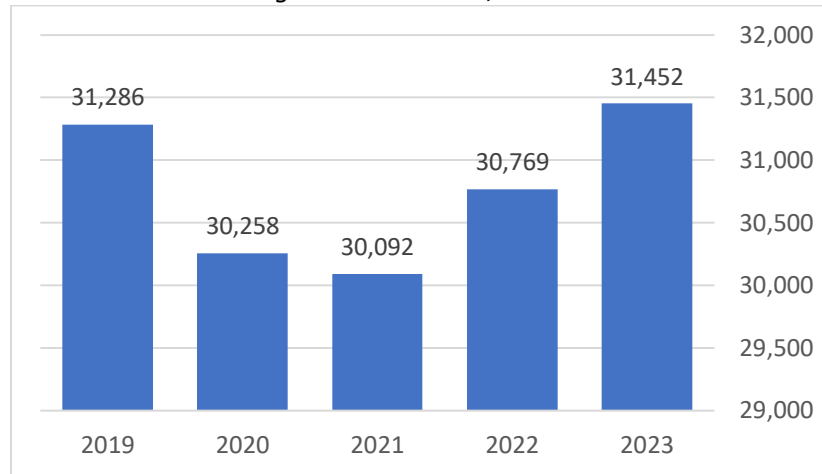
This period marks a significant divergence in growth rates across the state. While every county experienced labor force growth between 1990 and 2009, in the 2010s growth became concentrated in the state’s more urbanized northwest corner. Meanwhile, nine counties experienced labor force declines averaging -8.6%.

### Pandemic-Era Labor Force Changes in the Northeast Kingdom

2020 labor force data for the Northeast Kingdom shows an annual average decline of 1,028 (-3.3%) relative to 2019, similar to the statewide decline of 3.9% discussed in the previous section. Since 2021 the Kingdom’s labor force has expanded each year. In 2023 it averaged 31,452, a 3.9% increase from 2020. While this is a significant increase, the level still represents a 9.2% decline from its 2006 maximum of 34,646. See Chart 4.

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Chart 4: Northeast Kingdom Labor Force, 2019 – 2023



**County-Level Labor Force Changes within the Northeast Kingdom**

The three counties of the Northeast Kingdom are bound by similar demographic and industrial compositions. It is perhaps unsurprising, then, that they share similar experiences in terms of labor force changes in recent decades. In each, the decade of peak labor force growth was between 1999 and 2009. During that 10 year period Orleans County experienced 15.6% growth in its labor force (+1,965). Essex County grew by 13.4% (+390) while Caledonia grew 9.5% (1,447). Those rates of growth all exceeded the statewide average of 6.5%. During the decade that followed, however, each county experienced declines far larger than the statewide rate. Between 2009 and 2019 Essex County’s labor force declined by 16.8% (-557). Caledonia fell by 11.1% (1,859) and Orleans fell by 6.1% (881).

Since the Pandemic each has rebounded by amounts somewhat similar to the state average of 3.3%. The fastest growth among the three has been in Orleans, where the average annual labor force

grew by 608 people (+4.7%) between 2020 and 2023. Caledonia’s labor force added 536 people or 3.7%. Essex county added 50 people or 1.9%. See Table 1 below for an overview of the data in this section.

Table 1: Northeast Kingdom Counties Changes in Labor Force

Location	Year	Labor Force	Change	% Change
<b>Caledonia County</b>	1990	14,344	NA	NA
	1999	15,291	947	6.6%
	2009	16,738	1,447	9.5%
	2019	14,879	-1,859	-11.1%
	2020	14,506	-373	-2.5%
	2023	15,042	536	3.7%
<b>Essex County</b>	1990	2,805	NA	NA
	1999	2,919	114	4.1%
	2009	3,309	390	13.4%
	2019	2,752	-557	-16.8%
	2020	2,701	-51	-1.9%
	2023	2,751	50	1.9%
<b>Orleans County</b>	1990	11,948	NA	NA
	1999	12,571	623	5.2%
	2009	14,536	1,965	15.6%
	2019	13,655	-881	-6.1%
	2020	13,051	-604	-4.4%
	2023	13,659	608	4.7%

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