

Introduction

This edition of Kevin's Corner uses data from the Quarterly Census of Employment & Wages to review the concentration of employment and wages by the size of businesses in Vermont.

Sources

This review relies on data from the Quarterly Census of Employment and Wages (QCEW), a program that collects and aggregates employment and wage data for all firms covered by the state of Vermont's Unemployment Insurance (UI) program. QCEW uses administrative records from the UI program to create a census of employment and wages sorted by geographies and by industries. Because all UI-covered firms ("covered employment") are obligated to participate, QCEW is considered the most accurate count of employment in the state.

QCEW data is aggregated by establishment and by firm. An *establishment* is defined as a single-location company or each separate physical location of a multiple-location company. For example a retail chain might have multiple locations in Vermont. A single business might also have multiple establishments performing different parts of the business operations. A *firm* is defined as the aggregation of all of a company's establishments in the state. Of note: The statewide portion of our discussions relies on firm-level data. The substate discussion uses establishment data.

Results

Distribution of Firms by Size Class

As of the first quarter of 2021, there were 23,841 private-sector firms in Vermont. Overall, 83.7% of covered firms (19,956) have 9 or fewer workers while 15% (3,572) have between 10 and 99 workers. Only 1.3% have 100 or greater. Less than one tenth of one percent have more than 1,000 employees. See Table 1 below.

Distribution of Employment by Size Class

While only 14 private firms in Vermont have 1,000 or more employees they represent 12.1% of all private employment in the state. Conversely, the 19,956 firms with fewer than 10 employees represent 18.4% of all private employment. The majority of Vermont employment (54.8%) is in firms with 50 or more workers. See Table 1.

Table 1: Private Firms & Employment Share by Size Class

Employees*	Firms	Share of Employment
4 or fewer	16,663	9.1%
5 to 9	3,293	9.3%
10 to 19	1,973	11.3%
20 to 49	1,217	15.4%
50 to 99	382	11.3%
100 to 249	206	13.1%
250 to 499	61	8.9%
500 to 999	32	9.5%
1,000 plus	14	12.1%

*employees as of March 2021

Industry Analysis

Forty-six private firms have 500 or more employees in Vermont. Among those, 17 (36.9%) are firms in the Health Care & Social Assistance industry. Six firms in that industry have 1,000 or more employees. Other industries with multiple 500+ employee firms include Accommodation & Food Services (8, with 1 of 1,000 or more), Manufacturing (6, with 2 of 1,000 or more), Educational Services (4, with 1 of 1,000 or more) and Retail Trade (4, all with 1,000 or more).

Fourteen private firms in the state had 1,000 or more employees, 6 of which were in Health Care & Social Assistance. The concentration



Kevin's Corner is a continuing series of brief reviews of Vermont Economic and Demographic data. It is written by Kevin Stapleton, Assistant Director of Economic and Labor Market Information for the Vermont Department of Labor with support from other E&LMI staff. Kevin can be reached at kevin.stapleton@vermont.gov. For more information visit our website at www.vtlmi.info

of employment is evident in its share of all industries vs all employment: While it accounts for 7.1% of all firms in the state, Health Care & Social Assistance accounts for 21.1% of employment.

At the other extreme, 48.5% of firms engaged in Health Care & Social Assistance have 4 or fewer employees. Only Accommodation & Food Services has a lower concentration of these very small firms, 46.3%. Others industries with fewer than half of firms employing 4 or fewer people include Manufacturing (49.0%) and Retail Trade (49.6%). Table 2 compares the shares of these very small firms (4 or fewer employees) and large firms (100 or more employees) by industry.

Table 2: Concentration of Privat Firms by Industry and Size Class

Industry	4 or Fewer Employees	100+ Employees
Total Private	69.9%	0.4%
Ag, Forestry, Fishing & Hunting	61.8%	0.6%
Utilities	56.3%	12.2%
Construction	75.0%	0.2%
Manufacturing	49.0%	5.1%
Wholesale Trade	78.9%	0.9%
Retail Trade	49.6%	2.2%
Transport & Warehousing	64.0%	2.1%
Information	75.8%	0.7%
Finance & Insurance	74.7%	2.4%
Real Estate, Rental & Leasing	78.7%	0.1%
Professional & Technical Svcs	85.5%	0.2%
Management of Companies	75.2%	3.4%
Administrative & Waste Svcs	80.7%	0.6%
Educational Services	60.3%	2.4%
Health Care & Social Assistance	48.5%	4.3%
Art, Entertainment & Recreation	66.4%	0.9%
Accommodation & Food Service	46.3%	1.5%
Other Services	77.0%	0.1%

Concentration of Wages by Size Class

Reviewing the share of wages by size class reveals no obvious patterns. The smallest private firms – those with four or fewer workers – account for 9.1% of all private employment and 11.4% wages, meaning the average wage in those firms is slightly higher than all firms. This is perhaps explained by staffing patterns in these very small firms. The largest 14 firms in the state are responsible for 12.1% of all employment and 11.1% of all wages. See Table 3 below for information on wage shares by size class.

Table 3: Distribution of Employment and Wages by Size Class

Firm Size	% of Private Employment	% of Private Wages
4 or fewer	9.1%	11.4%
5 to 9	9.3%	7.4%
10 to 19	11.3%	9.6%
20 to 49	15.4%	13.8%
50 to 99	11.3%	10.7%
100 to 249	13.1%	13.8%
250 to 499	8.9%	9.1%
500 to 999	9.5%	13.1%
1,000 plus	12.1%	11.1%

Regional Differences in Size Class Distribution of Establishments

Class-size concentrations at the county level are necessarily determined, in part, by population density. It is very unlikely, for example, that a lightly populated area would have a very large employer. Within Vermont small establishments – those with fewer than 10 employees – are most prevalent in rural counties such as Grand Isle, where 91.3% of establishments have fewer than 10 employees. That figure is 90.2% in Essex, the only other county where small establishments account for over 90% of all businesses. The next highest concentration of small establishments is in Lamoille (84.6%) followed by Orange (84.2%).

Kevin's Corner: Business Size in Vermont

The lowest concentration of establishments with fewer than 10 employees can be found in the state's most densely populated county, Chittenden, where 79.3% employ fewer than 10 people. Other counties with low concentration of small establishments include Caledonia (79.4%), Franklin (80.7%) and Washington (80.8%).

While they constitute a large share of establishments these small operations only account for about 20.6% of employment statewide. Grand Isle is a significant outlier in this regard, with 53.5% of employment being held by establishments with fewer than 10 employees. The next highest concentration of small-establishment employment is in Essex where 38.2% of employment is in establishments with fewer than 10 employees. In Franklin county this size class accounts for only 11.6% of all employment. Windham is slightly higher at 12.7% followed by Orange at 13.3%.

Establishments with 100 or more employees are rare in every county. The highest concentration of these is in Franklin county where 1.5% of all establishments (19 out of 1,468 total establishments) employ 100 or more people. Chittenden is next highest at 1.4% (102 of 7,445) followed by Bennington at 1.2% (19 of 1,561). No establishments in Grand Isle county employ more than 100 people – in fact, during the reference quarter for this data no establishment in Grand Isle employed 50 people. In Orange, Essex, Caledonia and Addison these large employers constitute less than 1% of all private employment.

Despite their relative scarcity these large establishments constitute 33.0% of statewide employment. Counties range from 0% in Grand Isle (where no establishments meet the criteria) to 26.9% of employment in Franklin, 29.9% of employment in Washington and 35.4% of employment in Chittenden. See table 4 below.

Table 4: Private Establishment Size and Employment Distribution

County		Size of Establishment		
		< 10	10 to 99	100+
Statewide	% of Establishments	81.9%	17.1%	1.1%
	% of employment	20.6%	46.4%	33.0%
Addison	% of Establishments	83.5%	15.7%	0.8%
	% of employment	23.0%	41.5%	7.7%
Bennington	% of Establishments	82.3%	16.5%	1.2%
	% of employment	23.5%	44.8%	18.3%
Caledonia	% of Establishments	79.4%	20.0%	0.6%
	% of employment	23.3%	54.4%	13.0%
Chittenden	% of Establishments	79.3%	19.3%	1.4%
	% of employment	16.7%	47.9%	35.4%
Essex	% of Establishments	90.2%	9.1%	0.8%
	% of employment	38.2%	30.1%	0.0%
Franklin	% of Establishments	80.7%	17.8%	1.5%
	% of employment	11.6%	43.0%	26.9%
Grand Isle	% of Establishments	91.3%	8.7%	0.0%
	% of employment	53.5%	46.5%	0.0%
Lamoille	% of Establishments	84.6%	14.4%	1.0%
	% of employment	22.7%	44.0%	12.9%
Orange	% of Establishments	84.2%	15.1%	0.6%
	% of employment	13.3%	54.2%	8.5%
Orleans	% of Establishments	81.0%	17.9%	1.1%
	% of employment	22.2%	46.1%	13.6%
Rutland	% of Establishments	81.6%	17.4%	1.0%
	% of employment	21.8%	45.9%	13.7%
Washington	% of Establishments	80.8%	18.2%	1.0%
	% of employment	21.0%	49.0%	29.9%
Windham	% of Establishments	83.8%	15.0%	1.1%
	% of employment	12.7%	46.2%	20.9%
Windsor	% of Establishments	83.8%	15.4%	0.7%
	% of employment	25.1%	49.7%	12.7%

This workforce product was funded by a grant awarded by the U.S. Department of Labor's Employment and Training Administration. The product was created by the grantee and does not necessarily reflect the official position of the U.S. Department of Labor. The Department of Labor makes no guarantees, warranties, or assurances of any kind, express or implied, with respect to such information, including any information on linked sites and including, but not limited to, accuracy of the information or its completeness, timeliness, usefulness, adequacy, continued availability, or ownership. This product is copyrighted by the institution that created it. Internal use by an organization and/or personal use by an individual for non-commercial purposes is permissible. All other uses require the prior authorization of the copyright owner.