

# The Vermont Labor Market Quarterly

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

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## The Changing Face of Employment in Vermont Over the Past 25 Years

According to data from the Quarterly Census of Employment and Wages (QCEW), the state of Vermont added over 48,600 jobs during the 25 year period between 1989 and 2014, an average annual increase of about 0.7%. During that same period, the population of Vermont increased at an average annual rate of 0.5%

QCEW is a count of employment in firms that are part of the state Unemployment Insurance Program. As such, certain employment is excluded – for example, sole proprietors, nonprofits with less than four employees and railroad employees. Despite these omissions, it is the most accurate count of employment in the state. Each participating firm also gets coded into the 6-digit North American Industrial Classification System (NAICS). Below, we discuss changes in QCEW employment over the last 25 years with an emphasis on changes in employment by industry.

While employment has increased over the past quarter century, growth has been unequal across industries and some industries have actually lost employment. The largest increase, both in numbers and in percentage change, is in Health Care and Social Assistance. This industry added 26,814 jobs, an average annual growth rate of 2.9%. The next largest numerical change is in Educational Services, which has seen an increase of 11,912 jobs, an average annual growth rate of 15.0%. The next largest percent growth is in Administrative and Waste Services, which grew at an average annual rate of 2.9% and added 5,532 jobs between 1989 and 2014.

The largest percentage decline during the period was in mining, where 45% of jobs were lost. This large percentage change, however, accounts for only 486 jobs. The largest numerical decline during the period was in manufacturing, where almost 14,000 jobs were lost. While losses in mining are likely the result of declining production, losses in manufacturing come despite significant growth in output. Employment losses in manufacturing are driven primarily by productivity gains.

Manufacturing declines have been far more significant in Durable Goods (those expected to last three years or more) than in Nondurable Goods. While Durables declined by 12,228 jobs (-1.9% average annual growth), nondurable goods have declined by only 1,744 or -0.6% annually. In addition, while some sectors within manufacturing have fallen significantly (Computer and Electronic Product Manufacturing, down 50% over the period; Machinery Manufacturing, down 46%) other sectors have seen significant growth. Food Manufacturing has added 1,861 jobs, an average annual increase of 1.8%. Beverage and Tobacco manufacturing has grown from employment of 82 in 1985 to 631 in 2014

Over the twenty-five-year period, the private sector added 35,432 jobs, an average annual increase of 0.7%. The public sector added 13,191 (1.2% average annual growth). In public sector, the largest growth was in local government, where 8,648 jobs were created and employment increased at an average annual rate of 1.4%. State Government and Federal Government employment both grew at an average annual rate of 0.9%. State Government added 3,245 jobs for a 2014 total of 16,503 while Federal Government employment increased by 1,297 to 6,673. State and Local government include Public Education.

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*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.*

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## Local Area Unemployment Statistics

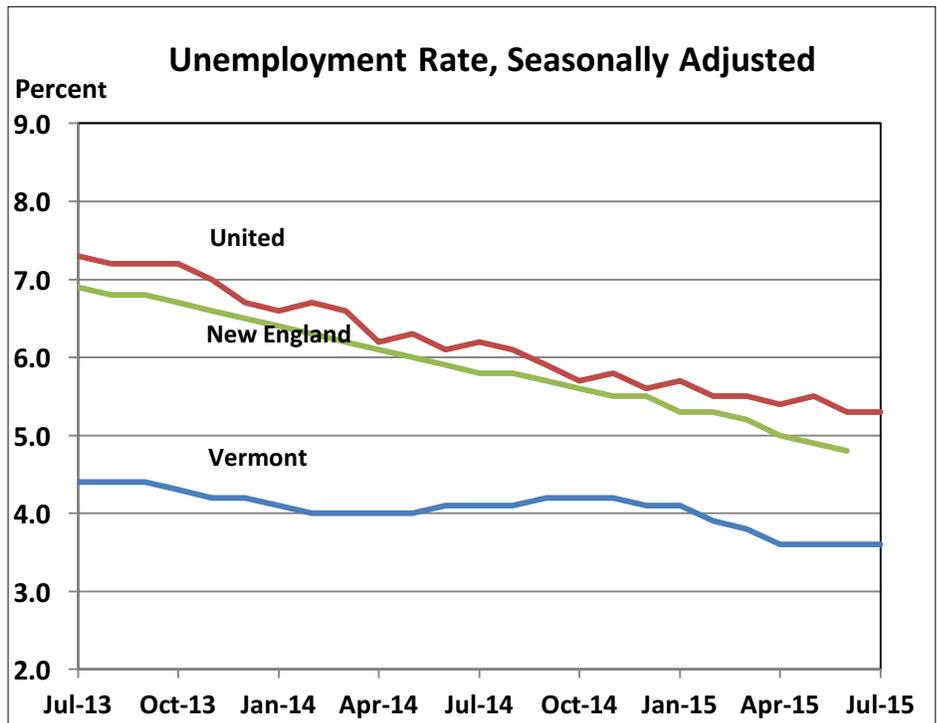
The Local Area Unemployment Statistics (LAUS) program produces monthly and annual employment, unemployment, and labor force data for Census regions, states, counties, metropolitan areas, and towns by place of residence. Statewide estimates are derived primarily from a survey of approximately 1,200 Vermont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

The August seasonally adjusted statewide unemployment rate stood at 3.6%, unchanged from the previous month. The state’s seasonally adjusted unemployment rate steadily decreased from 4.1% in January to 3.6% by April, where it has remained ever since. This relative stability in the rate comes after an uneven decline from its recessionary peak of 7.0% in May of 2009. Between January and August, seasonally adjusted LAUS employment increased by 1,650 while seasonally adjusted LAUS unemployment has declined by 1,650. The labor force, which is the sum of LAUS employment and unemployment, has remained essentially unchanged since January.

The recession that started in December of 2007 caused a significant increase in unemployment in Vermont, with the unemployment rate peaking at a seasonally adjusted high of 7.0% in May of 2009. In that month, the seasonally adjusted number of unemployed peaked at 25,200. As of August 2015 the number of unemployed had declined to 12,500. Peak LAUS employment of 344,150 occurred in April of 2006 with current LAUS employment standing at 336,200. The labor force declined by just over 7,000 during that period as baby boomers retired and younger people delayed entry into the workforce.

Vermont’s seasonally adjusted 3.6% unemployment rate was the fourth lowest in the nation as of August 2015; One and one half percentage points lower than the national average of 5.1%. The New England seasonally adjusted rate was 4.6%, compared to 5.7% one year ago. Rhode Island and Connecticut had the highest rates in New England at 5.6% and 5.3%, respectively. New Hampshire and Vermont have the lowest rates in New England, at 3.6%. Nationwide, West Virginia had the highest rate among states at 7.6%, though Puerto Rico was higher still at 11.6%. Nebraska holds the lowest state rate at 2.8% followed by North Dakota (2.9%) and Hawaii (3.5%).

Every LMA fully contained within the state of Vermont saw a decline in its unemployment rate over the year. The Burlington-South Burlington Labor Market Area (LMA) had the lowest August unemployment rate at 3.0%. The next lowest was the White River Junction LMA at 3.1%. Both the



Barre-Montpelier LMA and the Newbury LMA had rates of 3.2%. The Derby LMA had the highest rate at 4.9% followed by the Bennington LMA at 4.8%. Over the year, the largest declines in the unemployment rate were seen in the Morristown-Waterbury LMA and the Newbury LMA; in both cases, the rate has fallen by 0.6%. The unemployment rate in the Vermont portion of the Littleton, NH LMA increased 0.5%. The Vermont portion of the Colebrook, NH LMA’s increased 1.0%. Labor Market Area unemployment rates are not seasonally adjusted.

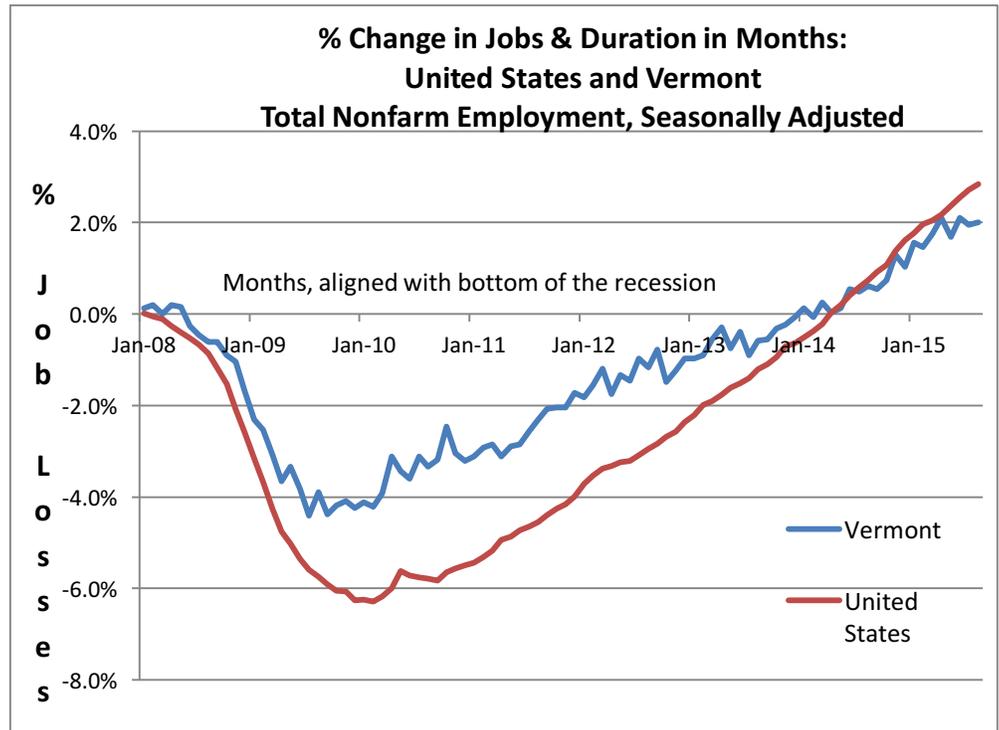
**Current Employment Statistics**

The Current Employment Statistics (CES) program provides detailed industry 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 144,000 businesses and government agencies nationwide. The sample includes approximately 2,000 Vermont firms each month.

Total seasonally adjusted nonfarm payroll employment stood at 314,700 as of August. Over the course of the past year total nonfarm has added 4,300 jobs, An increase of 1.4%. Over the year, the largest number of

jobs were added in Education and Health Services (+2,300). The fastest growth rate was in Arts, Entertainment & Recreation where the number of jobs increased 9.5%. Wholesale Trade declined by 3.2% (300 jobs) over the year and Construction declined by 2.0% or 300 jobs.

Total Private Employment increased by 1.7% or 4,200 jobs. Federal Government grew by 100 jobs or 1.5% while State Government increased by 200 jobs or 1.0%. Local Government employment declined by 200 jobs or 0.7%.



**The Quarterly Census of Employment and Wages**

QCEW is a quarterly 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. Because it is a census, QCEW serves as a benchmark for other LMI programs. The most recent published data is quarter one of 2015 and the most recent annual data is 2014. QCEW data is not seasonally adjusted.

2014 marked Vermont's the highest annual average employment with 304,554, exceeding the pre-recession peak of 303,438 in 2007. The growth in employment, however, is not represented in every industry. Service-Providing industries grew by 3.2% over the period while Goods-Producing industries declined by 11.1%. Within Goods Producing industries, Durable goods Manufacturing declined by 22%. This was driven by significant declines in Computer & Electronic Product Manufacturing (-33.4%), Furniture & Related Products Manufacturing (-26.1%) and Wood Product Manufacturing (-23.5%). Non-Durable Goods Manufacturing increased by 10.6%, due primarily to increases in Food Manufacturing (+39.6%) and Beverage and Tobacco Manufacturing (+51.3%).

Within the Service-Providing sector, significant employment gains were seen in Professional and Business Services (+19.1%), Education Services (+5.7%) and Health Care & Social Assistance (+11.3%). Accommodations & Food Service also increased 7%. Overall, Private Sector employment is virtually unchanged while Government has increased 2.2%.

## 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](http://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](http://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](http://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](http://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](http://www.vermontjoblink.com)

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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](http://www.vtsbdc.org)

**Think Vermont** is a source for information about starting, expanding and relocating a business in VT.

[www.accd.vermont.gov/business](http://www.accd.vermont.gov/business)

### Economic & Labor Market Data

From our homepage at [www.vtlni.info](http://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](http://www.bls.gov).

**The Employment and Training Administration**  
[www.doleta.gov](http://www.doleta.gov)

**Vermont Department of Labor**  
[labor.vermont.gov](http://labor.vermont.gov)