

The Vermont Labor Market Quarterly

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

October 2018

Changes in Vermont Employment by Industry Since the Recession

The recession that started in December of 2007 proved to be the deepest and longest-lasting decline since the Great Depression. By the official end of the recession in June 2009 U.S Total Nonfarm employment had declined by over 7 million jobs. During the same period the state of Vermont lost approximately 11,900 jobs or 3.9%. While the recent expansion has raised total employment above its pre-recession levels certain industries continue to see declines. Below, we review the status of the recovery in various industries across Vermont.

Industries least impacted by the decline

In the private sector only Health Care & Social Assistance gained jobs between December 2007 and June 2009, adding 3.8% (1,700 jobs). The trend has continued since that time with August 2018 employment 16.3% (+7,300) above its pre-recession levels. Finance & Insurance experienced a small (3.1%) decline during the recession but has continued to decline and is now down 4.1% (-400 jobs) since December 2007. Government employment also increased during the downturn (+1.7% or +900 jobs), driven primarily by an increase in Local Government employment (+3.7% or +1,100 jobs). Government employment is currently 2.8% (+900) above pre-recession levels.

Industries that experienced the largest percentage decline between December 2007 and June 2009

The largest declines during the most recent recession were found in Durable Goods Manufacturing where 16.9% (-4,400) of jobs in the industry were lost. While many industries have rebounded since that time the decline in Durable Goods Manufacturing continues. As of August 2018, Durable Goods Manufacturing employment is more than 29% (-7,600) lower than it was in December 2007. Nationwide, Durable Goods Manufacturing declined 8.5% over the same period.

The next largest decline (on a percentage basis) was in Construction where employment declined by 16.6% (-2,700 jobs) between December 2007 and June 2009. Since that time the industry has regained much of that employment. August 2018 figures show employment levels 5.5% (-900) below their December 2007 figures.

Arts, Entertainment, & Recreation fell by 7.5% (-300) during the last recession as lower incomes led to less discretionary spending. During the recovery, however, this industry has seen significant employment gains. August 2018 employment is 27.5% (+1,100) higher than in December 2007.

Administrative & Waste Services and Wholesale Trade both declined by 6.7% during the contraction. Wholesale Trade's decline has continued during the expansion with August 2018 employment 11.5% (-600 jobs) below December 2007 figures. On the other hand, Administrative & Waste Services has rebounded and is now 32.6% (+2,900 jobs) higher, the largest gains by any industry over the past decade.

Table 1: Employment in Thousands

Industry	Dec-07	Jun-09	Aug-18
Mining & Logging	0.8	0.8	0.7
Construction	16.3	13.6	15.4
Manufacturing	35.6	30.6	29.4
Durable Goods	26.0	21.6	18.4
Non-Durable Goods	9.6	9.0	11.0
Wholesale Trade	10.4	9.7	9.2
Retail Trade	40.2	38.2	36.9
Information	5.8	5.5	4.2
Finance & Insurance	9.7	9.4	9.3
Prof'l & Technical Svcs	13.5	13.1	14.5
Administrative & Waste	8.9	8.3	11.8
Private Education Services	13.3	13.3	13.6
Health Care & Soc Assistance	44.7	46.4	52.0
Arts, Entertainment & Rec	4.0	3.7	5.1
Accommodation & Food Svc	29.0	27.6	32.0
Other Services	10.0	9.6	10.1
Government	53.9	54.8	55.4

Long Term Occupational Projections

The Economic and Labor Market Information Division produces 10-year projections of occupational employment every two years. The most recent projections, completed in June, cover the period from 2016 to 2026. These projections reflect anticipated changes in the mix of occupations as the economy grows and evolves. Below, we discuss expected changes in various occupations and major occupational groups. A copy of the full report can be found at <http://www.vtlni.info/projlt.pdf>

Major Occupational Groups

Between 2016 and 2026, Food Preparation and Serving related occupations in Vermont are expected to have the most openings, nearly 5,000 annually. Sales and Related occupations are expected to have the second most openings. Legal Occupations and Life, Physical and Social Science occupations are expected to have the least openings, 250 or less.

On a percentage basis, the largest increase by a major occupational group in Vermont is estimated to be in Personal Care & Service with a growth of about 14% jobs. Nationwide, this occupational group is expected to increase approximately by 19% over the same period. Occupations expected to decline in employment over this 10-year period include Production (-5%), Office & Administrative Support (-3%), Sales & Related (-2%), and Education, Training & Library (-1%). While most changes in Vermont coincide with national trends Farming, Fishing & Forestry is a significant exception: Nationwide employment in this group is expected to decline slightly while in Vermont it is expected to increase by 11%.

Individual Occupations

Reviewing individual occupations, those with the highest average annual growth rate are expected to be Solar Photovoltaic Installers (3.2%) and Home Health Aides (2.9%). For both occupations the level of education typically required is a high school diploma. Among occupations typically requiring less than a high school diploma Cooks, Institution and Cafeteria is the occupation expected to see the highest growth rate at 0.4%. Diagnostic Medical Sonographers (+2.2%), Physical Therapy Assistants (+1.9%), and Respiratory Therapists (+1.9%) are projected to be the fastest growing occupations requiring an associate's degree. Operations Research Analysts is projected to be the fastest growing occupation requiring a bachelor's degree (2.9%) followed by Software Developers, Systems Software at 2.3% and Computer Systems Analysts at 2.1%. Among occupations typically requiring a master's, doctorate, or professional degree the highest rates of growth are expected among Physicians Assistants (+2.5%), Statisticians (+2.5%), Nurse Practitioners (+2.2%), and Physical Therapists (+1.9%).

Cashiers are the occupation with the most expected annual openings (1,770) but this is due exclusively to people exiting and transferring; total growth in the occupation is expected to be -0.4% annually. Personal Care Aids are expected to have the second most openings (1,435) with a significant portion due to a projected annual growth rate of 2.6%. The third most openings are projected in Retail Salespersons with 1,366 annually and a -0.2% growth rate.

In 2016, 40% of all employment in Vermont required a minimum educational attainment of a high school diploma. Another 23% of total Vermont employment required less than a high school diploma while 26% required a bachelor's degree or greater. The largest number of openings between 2016 and 2026 are expected to be in positions requiring a high school diploma (16,423 jobs annually) followed by less than high school (12,833) and bachelor's degree (6,296). The largest percentage increase in employment is projected to be among occupations requiring a professional degree (+5.7%) followed by bachelor's degree (+4.7%) and associate's degree (+3.8%).

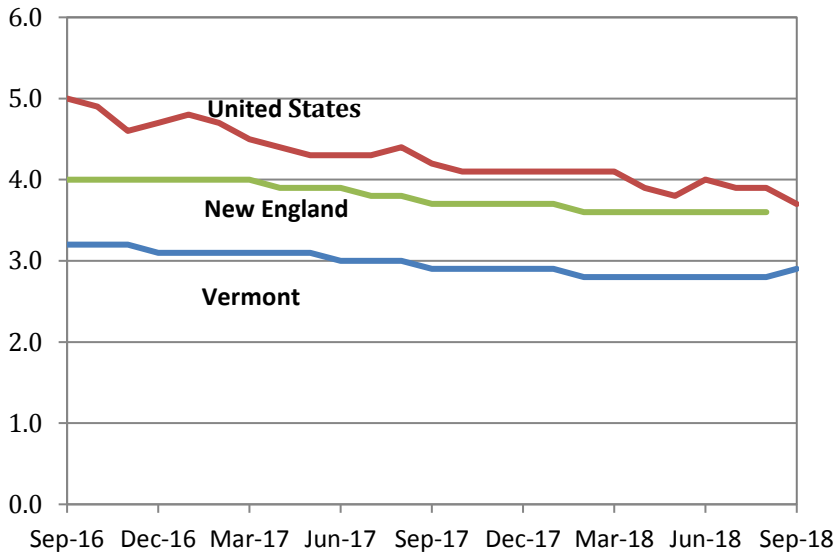
Overall, occupations requiring less than a high school diploma are expected to grow by 2.8% (+2,367 jobs) while those requiring only a high school diploma grow 1.8% (+2,667 jobs). Those requiring an associate's degree are expected to grow by 2.4% (+357 jobs) while those requiring a bachelor's grow 4.7% (+3,449 jobs). Occupations requiring a professional degree are expected to grow at the fastest rate (5.7%) while adding 1,245 jobs.

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. Estimates are derived primarily from the Current Population Survey, a monthly nationwide survey which includes approximately 1,200 Vermont households.

The September 2018 Vermont seasonally adjusted unemployment rate stood at 2.9%, a one tenth of a point increase relative to August and the same rate as this month last year.

Chart 1. Unemployment Rate, seasonally adjusted



August and the same rate as this month last year. The number of unemployed declined during the first three months of this year and has been increasing very slowly since. The number of employed persons climbed during the first six months of the year but has declined by about 2,300 since that time. In total, the labor force (employed persons + unemployed persons) has increased by just over two thousand this year.

Orleans county had the highest unemployment rate in August 2018 at 4.5%. Chittenden County and Orange tied for the lowest at 2.4%.

White River Junction had the lowest unemployment rate among Labor Market Areas (2.3%), followed by Burlington-South Burlington (2.4%), and Barre-Montpelier (2.5%). The highest rate (4.0%) was found in the Derby Labor Market Area.

Broader measures of labor market underutilization

In addition to the standard (U3) unemployment rate, states and the Bureau of Labor Statistics publish three broader measures of labor force underutilization. The U4 concept includes everyone in the U3 plus ‘discouraged workers’, those who have sought work in the past year but not the past month and stopped looking because they don’t believe a job is available for them. The U5 includes all of the U3 plus anyone who has sought work in the past year, not the past month, and states they want and are available to work. The Discouraged workers of the U4 are a subset of these ‘marginalized workers’.

The U6 includes everyone in the U5 plus people who are working part-time for economic reasons, in other words, individuals who want to work full time but are not able to find full time work.

In Vermont this data is published on a quarterly basis using 12-month averages because the sample size is too small for reliable monthly data. Table 2 shows these measures in 2006, the previous trough in 2010, and the most-recently available data which covers the period from the third quarter of 2017 through the second quarter of 2018.

Vermont’s U6 rate peaked at 12.5% in 2010, well below the U.S peak of 17.1%. It has since fallen back to its pre-recession range and stands at 6.2%. The nationwide rate, meanwhile, has declined to 7.5%.

Table 2: Alternative Measures of Labor Underutilization

Measure	Area	2006	2010	Q3 2017-Q2 2018
U3	VT	3.6	6.2	2.9
	US	4.6	9.6	4.4
U4	VT	3.8	6.6	3.1
	US	4.9	10.3	4.4
U5	VT	4.2	7.3	3.7
	US	5.5	11.1	5
U6	VT	6.4	12.5	6.2
	US	8.2	16.7	8.1

Career Planning and Employment Data Resources

The VT Department of Labor has a wide range of 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 houses data related to occupations, industries, wages, income, and labor force utilization in Vermont and various sub-state geographies.

Career Exploration Resources

American Job Centers: The Vermont Department of Labor has 12 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

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

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.

<http://accd.vermont.gov/>

Economic & Labor Market Data

From our homepage at www.vtlmi.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

For questions about this newsletter or for more information, please reach us at:

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