

## **EXPLANATION of TERMS**

### **Annual Average Employment or Jobs:**

The employment figures in this report are an average of the monthly employment figures for the calendar year. In some industries where there are significant seasonal changes in the number employed during the year, the annual average employment will differ significantly from the level of employment for any part of the year. Employment is the same as the number of jobs.

### **Annual Average Wage:**

The annual average wage is a figure computed from total wages and average employment (total annual wages/annual average employment). Because it is an average of aggregate data the annual average wage should not be used to estimate hourly wages. Hourly information is not reported by employers. Employment and wage data cover hourly workers, salaried workers and persons paid on a commission basis and who may be working full-time, part-time, or overtime. The annual average employment and wage figures can be influenced by the mix of these items and should be interpreted with caution.

### **Confidentiality Standards:**

Confidentiality standards apply to private sector data only. The publication of data that would disclose a private firm's employment or wage information is prohibited under the Bureau of Labor Statistic's guidelines of confidentiality. Data is not published that represents less than three private employers or one private employer represents 80% or more of the data. In addition, Vermont does not publish data with fewer than ten private sector employees. All government data is publishable.

### **Covered Employer:**

An employer is covered if wages of at least \$1,500 are paid during a calendar quarter; or employs at least one worker for some part of a day in each of 20 different weeks in a calendar year; or is required to pay Federal Unemployment Tax because individuals in another state(s) were employed or for some other reason; or pays cash wages of \$1,000 or more in any calendar quarter for domestic services in a private home; or pays cash wages of \$20,000 or more in any calendar quarter for agricultural services, or employ ten or more workers in agricultural employment; or furnishes employment in a charitable, or educational environment to four or more workers for some part of a day in each of 20 different weeks in a calendar year; or is the State or any political subdivision thereof; or voluntarily elects to provide unemployment coverage to workers even though it is not required.

### **Covered Employment and Wages:**

The data in this report refers to the employees and their wages in firms subject to the Vermont Unemployment Compensation Law, or for federal employees, the Federal Unemployment Compensation Law. Workers who are not included are the self-employed, firm owners not incorporated and the following employee groups: elected officials, nonprofit religious, charitable and educational organizations, unpaid family members, farm (with some exceptions) and railroad (see definition for Covered Employer).

### **Data Source:**

Data is compiled from quarterly reports submitted by employers. The reports contain monthly employment information for the pay period that includes the 12<sup>th</sup> of the month and total wages paid in the quarter.

## **Growth or Increase in the Number of Jobs:**

All information referring to growth in this report is based on net changes. The amount of growth during any time period is equal to the number of jobs (or wages) gained minus the number of jobs (wages) lost.

## **Industry Groups or NAICS:**

Beginning with the publication of 2001 annual data, the North American Industry Classification System (NAICS) is used to group industries. NAICS is replacing the Standard Industrial Classification (SIC) system in the U.S., and will be used by all North American governmental and many private organizations for the purposes of uniformity in presenting statistical data. The NAICS classification structure groups industries based on similar production processes. For more information on NAICS, please visit the Bureau of Labor Statistics website, <http://www.bls.gov/bls/naics.htm>

## **Ownership - Private and Governmental:**

The ownership of establishments is classified as either Private or Government. Government employers are further classified by the level of government: Local (operated by town), State (operated by the State) or Federal (operated by the United States Government).

## **Reclassification of Specific Firms:**

In an active economy many firms change their physical location and some change their primary business activity. To maintain and update location and activity information all employers are surveyed during a three year cycle. The resulting changes are effective at the start of the next calendar year. While this improves the accuracy of data analysis, it also introduces fluctuations in the data from year to year due to these administrative changes.

## **Reporting Units, Establishments, Worksites and Employers:**

A reporting unit is the smallest economic unit for which data is reported. An establishment is an economic unit, such as a farm, factory, or store, which produces goods or provides services at a single physical worksite and engaged, predominantly, in one type of economic activity. Most employers operate only one establishment or place of business so all of their activity is reported under one reporting unit. Employers who operate more than one establishment in the state are requested to report each worksite separately. In some cases the employer aggregates the worksites into several units, though not at the establishment level. Occasionally, a single physical location encompasses two or more distinct and significant activities that, if possible, are reported as separate units. In these cases, a reporting unit is only one worksite, or a group of worksites, or part of a worksite and not all of an employers' activity in the state.

## **Seasonal Activity:**

Seasonal activity in Vermont industries produces significant variation in employment levels during the year. The annual average provides a convenient summary of the year's employment and wages. By definition, however, it obscures the peaks and valleys.

## **Size Class:**

Each reporting unit is assigned to one of nine size class categories based upon March employment. It is important to note that for multi-establishment employers size class is based on each worksite, not the firm's total employment.

## **Unclassified County Data:**

A small percentage of covered employment and total wages is not classified by county. In these cases the employees' work is not performed at a given physical location, e.g., traveling salespeople.

