

Introduction

This edition of Kevin's Corner discusses trends in Vermont's labor market over the year 2022. This review includes benchmarked data from the series released concurrent with the Vermont Department of Labor's January and February 2022 employment press releases.

Sources

Current Employment Statistics (CES) is a program of the Economic & Labor Market Information Division in cooperation with our federal partners at the United States Bureau of Labor Statistics. CES provides a monthly estimate of total nonfarm payroll employment for Vermont. It also estimates employment by industry. All monthly estimates used here are seasonally adjusted. Annual averages are not seasonally adjusted. Estimates are derived from a survey of approximately 1,200 Vermont firms representing 2,500 establishments across all industries each month. All CES data can be found at the data tool on our website [here](#).

Local Area Unemployment Statistics (LAUS) is also 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). The program also produces related data such as the Labor Force Participation Rate. All monthly estimates discussed here are seasonally adjusted. Annual averages are not seasonally adjusted. All LAUS data can be found at the data tool on our website [here](#).

The Job Openings and Labor Turnover Survey (JOLTS) is a program of the Bureau of Labor Statistics. It provides monthly estimates of job openings, hires, layoffs and quits based on a survey of approximately

21,000 firms nationwide. Estimates are seasonally adjusted. National and state level data from the program can be found [here](#).

Current Employment Statistics

Total Nonfarm employment increased by 5,400 jobs (1.8%) between December of 2021 and December of 2022. Despite this increase total employment was still down 10,900 jobs (-3.5%) from pre-pandemic December 2019 levels. See Table 1 below.

Table 1: Change in Total Nonfarm Employment

	Employment	Change from Prior	% Change from Prior
Dec 2022	304,600	+5,400	+1.8%
Dec 2021	299,200	+14,500	+5.1%
Dec 2020	284,700	-30,800	-9.8%
Dec 2019	315,500	-	-

Burlington – South Burlington NECTA

Burlington – South Burlington NECTA employment stood at 123,200 in December of 2022, an increase of 2,400 jobs (+2.0%) over the same date in 2021. While it rebounded slightly more than the statewide figures, employment in December 2022 remained 3,600 (-2.8%) below 2019 levels. See Table 2 below.

Table 2: Change in Burlington NECTA Total Nonfarm Employment

	Employment	Change from Prior	% Change from Prior
Dec 2022	123,200	+2,400	+2.0%
Dec 2021	120,800	+4,600	+4.0%
Dec 2020	116,200	-10,600	-8.4%
Dec 2019	126,800	-	-

Statewide Industry Analysis

While seasonally adjusted Total Nonfarm employment increased by 5,400 (1.8%) between December 2021 and December 2022, changes at the industry level were varied and the impacts of the pandemic still played a significant role. On a percentage basis the largest gains over the year were in Information (+9.8% or 400 jobs), Administrative & Waste Services (+9.4% or 1,200 jobs) and Private Educational Services (+8.3% or +1,000 jobs).

On a numerical basis the largest employment gains were found in industries such as Administrative & Waste Services and Private Educational Services (see above). Other large gains included Accommodation & Food Services (+900 jobs or 3.3%) and Retail Trade (+800 jobs or 2.3%). See Table 3 below.

Table 3: Large Employment Gains by Industry, Dec 2021 – Dec 2022

Industry	2021 Employment	2022 Employment	% Change
Information	4,100	4,500	+9.8%
Admin & Waste Services	12,700	13,900	+9.4%
Private Educational Services	12,000	13,000	+8.3%
Accommodation & Food Services	27,000	27,900	+3.3%
Retail Trade	34,500	35,300	+2.3%

The only industries that experienced a decline in employment over the year were Non-Durable Goods Manufacturing (-300 jobs or -2.6%), Professional & Technical Services (-200 jobs or 1.2%), Health Care & Social Assistance (-200 jobs or -0.4%) and Federal and Local Government, both down 100 jobs (-1.5% and -0.3%, respectively). See Table 4 below.

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Table 4: Employment Losses by Industry, Dec 2021 – Dec 2022

Industry	2021 Employment	2022 Employment	% Change
Non-Durable Goods Manufacturing	11,500	11,200	-2.6%
Professional and Technical Services	16,700	16,500	-1.2%
Health Care & Social Assistance	49,500	49,300	-0.4%
Federal Government	6,800	6,700	-1.5%
Local Government	28,800	28,700	-0.3%

Industry-Level Employment Changes Since the Pandemic

Comparing current industry employment to 2019 levels shows that the impact of the pandemic persisted in 2022. Many of the hardest-hit industries remain well below 2019 levels. Only a select few show growth between 2019 and December 2022.

Those that are still well below December 2019 levels include the hardest-hit industry, Leisure & Hospitality. It was down 4,500 jobs or -12.3% as of December 2022, with the Accommodations & Food Services component down 4,300 jobs or 14.3%. Manufacturing was down 1,300 jobs or -4.3% over the period. Health Care & Social Assistance was down 3,200 jobs (-6.1%). Government was down 2,800 jobs (-5.0%).

Industries with the largest gains between December 2019 and December 2022 include Professional & Business Services (+2,400 jobs or 8.0%), Construction (+500 jobs or 3.3%), Information (+200 jobs or 4.7%) and Real Estate, Rental & Leasing (+200 jobs or 6.5%).

Local Area Unemployment Statistics

Statewide Labor Force Changes

The number of employed persons continued to increase over the year, growing by 1.4% or 4,490 people. The December 2022 count of 333,591, however, was still almost twelve thousand below the December 2019 figure (345,548). The number of unemployed also increased over the year from 9,571 in December 2021 to 10,378 in December of 2022, an increase of 807 or 8.4%. The comparable figure for December 2019 was 7,304. See Table 5.

Table 5: Vermont Labor Force Data, 2022

Month	Labor Force	Employed	Unemployed	Unemp Rate
Dec 2021	338,672	329,101	9,571	2.8
January	339,517	330,578	8,939	2.6
February	340,337	332,023	8,314	2.4
March	341,055	333,230	7,825	2.3
April	341,723	334,166	7,557	2.2
May	342,130	334,547	7,583	2.2
June	342,332	334,385	7,947	2.3
July	342,369	333,742	8,627	2.5
August	342,427	332,995	9,432	2.8
September	342,661	332,538	10,123	3.0
October	343,054	332,526	10,528	3.1
November	343,549	333,046	10,503	3.1
December	343,969	333,591	10,378	3.0

Combined, the increase in both employment and unemployment led to an increase in the labor force (the sum of the employed and unemployed). In December of 2022 Vermont's labor force was 343,969. This was an increase of 5,297 over the previous December.

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Despite growth in the labor force, it remained almost nine thousand below the December 2019 figure of 352,852.

The unemployment rate increased very slightly over the year from a December 2021 rate of 2.8% to a December 2022 rate of 3.0%. The labor force participation rate – the share of all civilian, noninstitutionalized Vermonters 16+ who are in the labor force – grew from 62.6% to 63.4%. While the participation rate had been falling for the previous decade, the decline during the pandemic was quite significant. In the decade prior to December 2019 the rate fell from 70.5% to 66.1%. By December 2020 it had fallen to 61.7%. It has been increasing unsteadily since that time.

Labor Market Under-Utilization

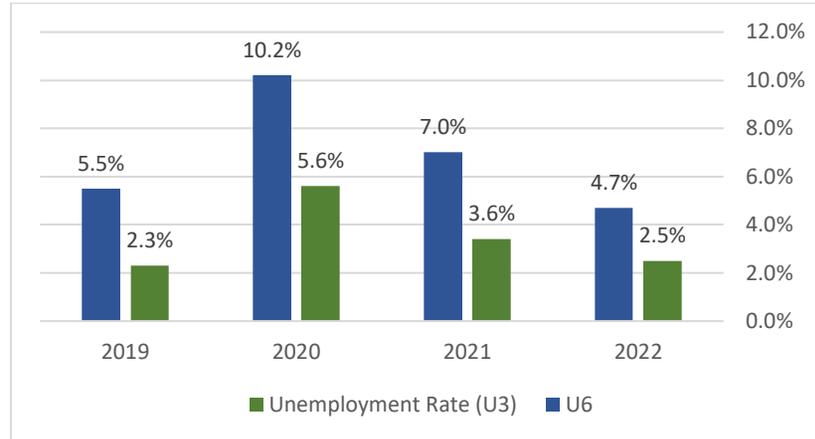
As part of the Current Population Survey, the Bureau of Labor Statistics and the Economic & Labor Market Information Division publish other measures of labor market under-utilization. Visit [VTLMI's alternative measures page](#) for a description of the various measures. The most inclusive alternative measure is the U6, an under-utilization measure that includes all:

- 1) Unemployed persons: Those who want work, are available for work and had searched for work in the past 4 weeks.
- 2) Marginally attached workers: Those persons not in the labor force who want and are available for work, and who have looked for a job sometime in the prior 12 months, but had not searched for work in the preceding 4 weeks.
- 3) Those working part-time for economic reasons: People who want to work full time but are not able to find full time work.

In 2019 the annual U6 rate stood at 5.5%, lowest since the series started in 2003. The pandemic drove the 2020 annual rate up to 10.2%, the highest since 2012. With the economy improving

throughout 2021 and 2022 the U6 rate is now well below its pre-pandemic level with a 2022 annual rate of 4.7%. See Table 6.

Table 6: Annual Labor Market Under-utilization Rates



Job Openings & Labor Turnover Survey

Statewide, the number of job openings in Vermont peaked in April of 2022 at 27,000, well above the 2019 average of 16,000. The number of openings receded over the remainder of 2022 but still ended the year at 22,000. While openings remained high in 2022, hirings were similar to pre-pandemic levels.

The number of quits (people voluntarily leaving a job) reached record levels in 2021. It began to moderate in 2022 - by December the number of quits (7,000) was on par with the 2019 average. Layoffs averaged about 4,000 in 2019 before peaking at 39,000 in March of 2020. Over 2022 layoffs varied between 2,000 and 4,000.

In December 2022 there were 0.5 unemployed persons for every job opening (or 2 job openings for every one unemployed person). The rate varied between 0.3 and 0.5 unemployed persons over the course

of year. Between 2013 and 2018 the rate averaged 1.0. In 2019 – considered a tight labor market – the rate varied from 0.4 to 0.6.

During the early days of the pandemic the number of unemployed person increased rapidly and the number of openings declined. In April of 2020 there were 4 unemployed persons for every opening. By December of that year the rate had fallen below 1 as openings increased while the number of unemployed persons fell. The rate has remained below 1 ever since. See Table 7.

Table 7: Hirings, Openings & Quits (thousands)

	Hirings	Openings	Quits	Unemployed per Opening
2019 average	13	16	7	1.0
2020 average	13	14	5	2.0
2022 average	14	22	9	1.0
Jan-22	14	24	9	0.4
Feb-22	15	25	9	0.4
Mar-22	14	26	9	0.3
Apr-22	14	27	7	0.3
May-22	13	26	8	0.3
Jun-22	11	26	9	0.3
Jul-22	12	24	11	0.3
Aug-22	13	23	12	0.3
Sep-22	13	24	8	0.3
Oct-22	11	23	7	0.3
Nov-22	12	20	8	0.4
Dec-22	12	22	7	0.5

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