According to the National Bureau of Economic Research the most recent U.S. recession started in December of 2007. It officially ended in June of 2009. The recession led to the loss of almost 8.7 million total nonfarm jobs between January of 2008 and February of 2010. The unemployment rate increased from a pre-recession low of 4.4% in May of 2007 to 10.0% in October of 2009. It remained above 7% until November of 2013.

The experience in New England was similar though not quite as severe. The unemployment rate for the New England region was at 4.4% as late as June 2007. By November of 2009 it peaked at 8.5% and remained at that level for six consecutive months. It remained at or above 7.0% until July of 2013. The region’s total nonfarm employment decreased by 4.8% (342,100). The sections below compare the impact of the recession on the employment situation in New England States. These comparisons rely on seasonally adjusted data from the Current Employment Statistics program and the Local Area Unemployment Statistics Program.

Impacts on employment (CES)

As of August 2016, every state in the New England region had higher employment than a decade earlier in 2006. The recession in the intervening years, however, led to significant employment declines that required years to rebuild. The New England Region reached peak employment of just over 7.1 million in February of 2008. By October 2009 that number had fallen 4.8% to just under 6.8 million. Rhode Island had the earliest downturn in Total Nonfarm employment prior to the recession, peaking in December of 2006. It also experienced the largest percentage drop in employment, an 8.0% loss by its August 2009 trough. Massachusetts’ job losses started last and were the smallest; the state’s decline started in April of 2008 and amounted to 4.2% of jobs. Vermont reached peak employment in June of 2007 and saw employment declines of 4.7% by July, 2009.

As of August, 2016 employment in three New England states remains
below its pre-recession peak. Connecticut has 22,500 (-1.3%) fewer jobs than it did at its March, 2008 peak. Maine and Rhode Island both have 4,900 fewer jobs than their previous peak, representing declines of 0.8% and 1.0% respectively.

Vermont’s employment is 8,600 or 2.8% above its previous peak, New Hampshire 18,900 or 2.9%. Massachusetts leads the region with 244,900 (7.35%) more jobs than its prior peak.

**Industry Analysis**

As discussed above the job gains in recent years have been unevenly spread across states. The variability is even more pronounced when discussing job gains across industries. Since the December, 2007 start of the recession some industries have seen significant growth in every state. Accommodation & Food Services has grown between 5.2% (Rhode Island) and 18.8% (Massachusetts). Vermont’s Accommodation & Food Services employment has grown by 15.2%. Growth in Health Care & Social Assistance ranges from 6.3% in Maine to 26.1% in Massachusetts.

Some industries continue to see losses relative to December 2007. The largest losses come in Durable Goods Manufacturing where Maine has the lightest losses at 9.7% of employment and Vermont has the largest losses at 25.4%. Vermont is the only state to see gains in Nondurable Goods Manufacturing, up 16.7%. The only other industry in which employment has fallen in every state is Financial Activities.

Vermont’s largest gains have been in Health Care & Social Assistance (16.8%), Non-Durable Goods Manufacturing (16.7%) and Leisure & Hospitality (14.8%). The state’s largest losses have been in Durable Goods Manufacturing (-25.4%), Real Estate, Rental & Leasing (-9.1%) and Wholesale Trade (-8.7%).

**Labor Force Analysis**

The recession led to a steep increase in unemployment across New England. In the Mid-2000’s most New England States had unemployment rates near or below 5%. By 2009, all experienced rates above 6%. Rhode Island’s average annual unemployment rate exceeded 11% for three years between 2009 and 2011. Connecticut’s annual average reached 9.2% in 2010. Maine and Massachusetts both had annual averages above 8% in 2009 and 2010. Vermont’s annual average reached 6.6% in 2009, almost twice as high three years earlier.
All six New England states experienced peak unemployment in 2009 or 2010. In the intervening years rates have fallen back to around their 2006 averages. Rhode Island continues to have the highest rate at 5.9%. This is less than half its 2010 peak of 11.3%. Connecticut’s annual average was 5.6% in 2015, a bit more than a point higher than its 2006 average. Massachusetts and Maine are both below their 2006 average while the 2015 annual averages for Vermont and New Hampshire were the same as their respective 2006 rates of 3.7% and 3.4% respectively. The New England region stood at 5% unemployment in 2015, one half of a percentage point above its 2006 average and 3.3% below its 2010 peak.

Despite this large decline in unemployment rates some states continue to have far fewer people relative to pre-recession levels. Using annual data, Maine had 669,465 employed persons in 2006. By 2010 that number had fallen to 638,042. In 2015 it stood at 650,135, 2.8% below 2006. Rhode Island is still below its 2006 average of 548,000 but the number of employed persons increased each year between 2012 and 2015. There were 343,802 employed Vermonter in 2006. That number started to fall in 2007 and continued to do so throughout the recession and the recovery. By 2015, three percent fewer Vermonter were employed.

The number of employed persons in Massachusetts fell by 66,000 (2.0%) during the recession but has climbed by 245,000 people (7.7%) since that time. New Hampshire now has 727,650 persons employed, a 4.7% increase from its 2010 trough and 1.9% increase over its previous 2008 maximum. In Connecticut the peak number of employed persons occurred in 2011. By 2015 the number had fallen by 20,000 (1.0%).

In 2015 the total labor force (employed plus unemployed) in New England was 168,560 persons larger than in 2006, an increase of 2.2%. This increase, however, is due almost exclusively to an increase of 187,000 (5.5%) in Massachusetts during the same period. Connecticut’s labor force grew by 16,000 or 0.9% while New Hampshire added 9,478 or 1.3%. Maine’s labor force contracted by 3.1% or 21,402 person; Rhode Island’s labor force contracted by 19,000 or 3.3%. Vermont’s labor force was 12,466 smaller in 2015 than in 2006, a decline of 3.5%.
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 as part of the nationwide Current Population Survey. The August, 2016 seasonally adjusted statewide unemployment rate stood at 3.3%, down four tenths of a point from the same month last year.

Chittenden County continues to have the lowest unemployment rate at 2.7%. The Burlington – South Burlington MSA is tied with Ames, Iowa for the third lowest rate in the nation at 2.6%, behind and Sioux Falls, South Dakota and Fargo, North Dakota. Essex County has the highest unemployment rate at 5.7%. While Essex has the highest rate, it tied for the largest percentage point decline over the past year, with Addison and Franklin counties, at five tenths of a point. Every county except Grand Isle experienced a decline in unemployment rate over the year. Sub-state unemployment rates are not seasonally adjusted.

Current Employment Statistics

The Current Employment Statistics (CES) program provides 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 2,000 Vermont firms each month.

Total seasonally adjusted nonfarm payroll employment stood at 318,200 in August. Over the past year employment has increased by 6,500 or 2.1%. Over the month employment decreased by 300 or -0.1%. Over the year the private sector added 5,400 jobs while the public sector added 1,100. The largest annual private sector growth was in Education and Health Services, where 2,500 jobs were added. Arts, Entertainment & Recreation experienced the largest percentage growth, expanding by 9.8% (400 jobs). The largest decline was in Manufacturing where 200 jobs (0.6%) were lost. Other Services is the only other industry to show an annual decline, losing 100 jobs.
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 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)

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)

**The Agency of Commerce and Community Development** 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.vtlmi.info](http://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](http://www.bls.gov)

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

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

For questions about this newsletter or for more information about the Economic & Labor Market Information Division of the Vermont Department of Labor, please reach us at:

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