

The Vermont Labor Market

Departments of Employment & Training / Labor & Industry

Vermont Department of

Employment & Training

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Commissioner's Message

Jobs Bill Invests \$105 Million in Vermont

One of the significant pieces of legislation that was passed this session was the Jobs Bill, which provides \$105 million to create various incentives, workforce development funds and low interest loans to help expand Vermont's workforce. The following article was written by Economic Development Commissioner, Michael Quinn. It helps to explain what the Jobs Bill is all about.

- Anne V. Ginevan

Are my kids and your kids going to be able to find decent job opportunities in Vermont? This is a question that we face every day in working with companies that are struggling to provide quality jobs for Vermonters.

Far too often, we hear anecdotal stories about Vermonters graduating college and relocating to a larger urban area, or another geographic region of the country where good, rewarding jobs are more available. Research confirms our young Vermont adults are leaving their home state at a rate that is three to four times higher than the national average – and they're not returning home. Job opportunities aren't the only reason, but they are an important reason for this disturbing trend.

Another impediment to job opportunities in Vermont is what I call the "either/
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The Edge

Fraud & Abuse

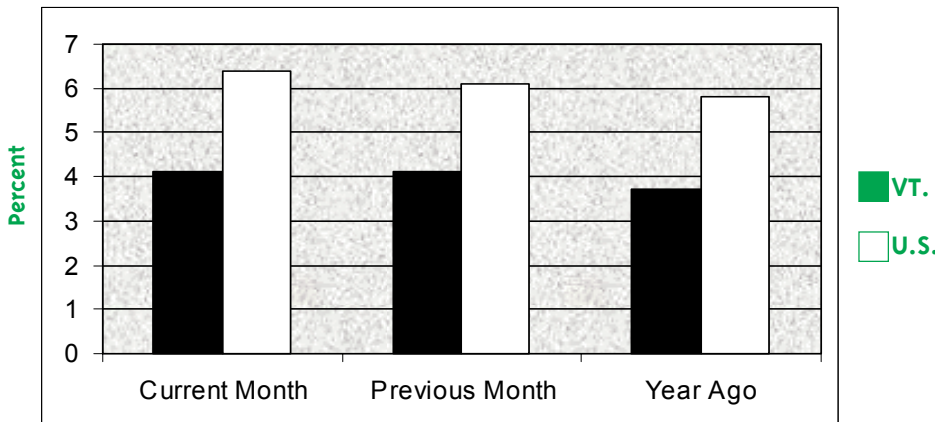
There is always a potential for fraud and abuse in benefit programs such as unemployment insurance. Recently, two schemes seem to be increasing across the nation. One, known as SUTA (State Unemployment Tax Act) dumping is an old phenomenon with some new twists while the other, identity theft, is relatively new. Vermont law and procedures make it less likely that these schemes will succeed here, but it is still possible. It is important that employers, workers, and DET remain vigilant to attempts to abuse the system. Fraud and abuse increases employers' cost and, over the long run, may influence the ability of the program to meet the needs of eligible workers.

Recently the US Attorney in California indicted a number of individuals for mail fraud, identity theft, and conspiracy. The indictment resulted from an investigation conducted jointly by the Employment Development Department, US Department of Labor, and the US Post Office. The investigation discovered individuals had taken records from a dumpster outside a payroll service and used the information in those records to file multiple claims for unemployment insurance. The individuals involved also established

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Unemployment Rates Vermont and U.S.

June (SA) 2003 Rates
VT 4.1% • U.S. 6.4%



Commissioner's Message –

(continued from front page)

or” thinking that dominates the public policy dialogue around our quality of life and a strong business climate. We debate issues concerning the environment. We debate issues concerning ways to strengthen our business climate. But too often they are perceived as being “either/or” – disconnected and taken in isolation. We can have one, but not both.

Governor Jim Douglas doesn't think so. He said it best in his inaugural address. “However, the choice we face today is not a choice between jobs or the environment. It is a choice between both or neither.”

If we do not support businesses in producing market-driven, high-value added products and services that support quality jobs, we put our quality of life that Vermonters value so highly at risk by jeopardizing critical revenue needed not just for environmental objectives, but to help fund our schools, infrastructure and a host of human services programs.

To that end, Governor Jim Douglas signed a \$105 million jobs bill into law in June creating various incentives, tax credits, workforce development funds and low interest loans to grow Vermont's workforce. The bill includes:

- Doubling incentives for employers to increase workforce training and development
- Increasing the minimum wage by 75-cents
- Creating an “angel investor” tax incentive to attract new venture capital
- Providing \$4 million for the Vermont Small Business Development Corporation, a non-profit partnership of government, education, and business.
- Providing \$25 million for a new mezzanine level investment partnership called the Vermont Opportunity Fund to help existing businesses create jobs and fund new business startups.
- Increasing lending and tax incentives for environmentally friendly sustainable technologies.

Another bill signed into law makes it easier for Vermont agricultural credit programs to obtain federal guarantees and gives \$30 million in increased agricultural lending capacity to the Vermont Economic Development Authority.

\$150,000 is included in the budget to fund a new Telecommunications Coordinator position in the Agency of Commerce to facilitate rapid deployment of broadband throughout Vermont.

\$400,000 more was added to the Vermont Training Program to provide customized workforce training to manufacturers.

These are exciting times here in Vermont. If your company is interested in learning more, contact me directly at mike@thinkvermont.com or call 802-828-3080. I'd love to learn more about your needs and show you some more reasons why Vermont wants your business.

- Michael Quinn

The Edge - *(continued from front page)*

dummy employer accounts to verify that the workers were unemployed through no fault of their own. So when the criminal filed the claim using a real worker's identity there were wages from a legitimate employer and confirmation from the dummy employer that the worker left the job in a way that warranted payment of unemployment benefits.

Employers can help prevent identity theft by ensuring that payroll records are secure while in use and destroyed before being discarded. You can also help DET by responding to the Notice of Potential Charges quickly if one is received concerning an employee who is still working. DET sends every employer whose wages are used to determine the worker's eligibility a notice of the claim. Quick notice to DET may prevent paying benefits to an individual who has stolen another's identity.

The US Congress recently held hearings on SUTA dumping. Representative Wally Herger, Chair of the Ways and Means Human Resources Sub-Committee, described the issue as “whether some employers wrongly minimize or even avoid paying their proper share of State unemployment taxes.” SUTA dumping usually involves creating a new business entity to report the employees of the high tax employer. A basic principle of SUTA is that employer taxes should be based upon the experience of their employees in collecting unemployment benefits. The unemployment insurance system is funded exclusively by employers so if one employer avoids taxes the cost is paid by other employers.

Carl Camden, President of Kelley Services, testified that Congress should:

- Require that state laws be revised to require the mandatory transfer of experience for mergers, acquisitions, and transfers of trade of business, regardless of the ostensible reason for the transaction (Vermont law already requires the transfer of experience, in most cases.)
- Direct the US Department of Labor to develop tools and provide funding to train state agencies to detect the practice.
- Require the appropriate enforcement by states of laws already on the books.

Representatives of the State of North Carolina testified that consultants were approaching employers in greater numbers suggesting ways, some questionable, to avoid UI taxes. In response, the North Carolina Legislature made it a felony for a person to attempt to SUTA dump or for a tax consultant to aid or abet SUTA dumping.

Vermont statute requires the transfer of experience when one business acquires another. It also requires professional employer organizations (employee leasing companies) to report workers under the account number of the client company. Supreme Court decisions require DET to look at the entity providing the business purpose for the employment when determining which entity must provide coverage. All of these features discourage attempts at SUTA dumping. DET will follow the events in Congress and other states to gauge whether or not changes to Vermont law are needed .



DET Notebook

Workshops Enhance Learning in Bennington County

In today's economy, we find a very diverse group of people looking for work. These job seekers include many with excellent work records who-through plant closures or downsizing - have not been through the process of finding a job in decades. Many have not written a resume since the days when putting your height, weight and marital status was not only acceptable, but also expected and many found their long-term positions by a simple conversation and a good word from a relative.

Those fortunate to be employed, are often working in team settings with a diverse mix of employees. For businesses to remain competitive, workers must interact positively with coworkers and customers from around the globe. Their challenge is to recognize and use their own and each others strengths to the

benefit of the entire team. The Bennington DET Career Resource Center staff has developed two excellent workshops that respond to the challenges of the modern labor market, for both those seeking work and for current employees of local businesses.

One workshop, called "*What's Your Type?*" uses the internationally recognized Myers-Briggs Type Indicator to help customers find career satisfaction and/or to work most productively on the job. DET presenters have conducted "*What's Your Type?*" sessions with management and staff of local employers both here in our Career Resource Center and also at employer's work sites. These employers have taken advantage of the workshop to add to their employees' professional development and to have staff learn more about each other. Topics have included: personality type, communication and work styles, preferences, the mutual benefit of different types, and team

building. This is important and enlightening work as evidence by some recent comments: "I had a great time and discovered a lot about how we deal with each other." "I will be able to achieve my goals of figuring out who I am and how my strengths will let me enjoy my work."

The second workshop, geared solely for our job seeker customers, is a three-day "*Ultimate Job Workshop.*" Here customers learn- both from the presenter and each other- appropriate job search methods, how to write effective resumes, the importance of networking and employer expectations. Most importantly though, participants complete a videotaped mock interview, a powerful tool in helping them improve their ability to market their skills. From our most recent workshop, one participant - recently laid off from long term position- commented "everyone should go to these workshops at least once. I have definitely acquired some confidence for interviews and information for applications and resumes."

We find that in doing group activities, participants learn from each other and are energized by the diverse viewpoints and experiences of others. Each group has its own needs and new materials are brought in as needed. We are proud of the results and pleased to be able to offer this service to both our job seeker and employer customers.

Economic Spotcheck

Local Unemployment Rates (Not Seasonally Adjusted)

Town/City*	June '03	May '03	June '02
Barre City	6.5	5.7	5.8
Barre Town	2.2	1.9	2.7
Bennington Town	4.9	4.8	5.6
Brattleboro Town	4.0	3.6	2.9
Burlington City	3.8	3.7	3.3
Colchester Town	3.0	2.8	2.7
Essex Town	2.6	2.6	2.5
Hartford Town	1.5	1.7	1.4
Middlebury Town	2.1	1.7	2.2
Milton Town	3.8	3.1	2.9
Montpelier City	2.2	1.9	1.9
Rutland City	3.7	4.0	3.7
St. Albans City	2.1	2.3	2.6
St. Johnsbury Town	5.2	5.2	5.8
So. Burlington City	2.7	2.4	2.0
Springfield Town	7.1	7.3	7.9

*16 Largest Towns in Vermont

U.S. CONSUMER PRICE INDEX Base Period (1982 - 1984 = 100)

	June 2003	May 2003	June 2002
All Items Index	183.7	183.5	179.9
Annual Percent Change	2.1	2.1	1.1

BRIEF EXPLANATION OF THE CPI - The Consumer Price Index (CPI) is a measure of the average change in prices over time of a fixed market basket of goods and services. It is based on prices of food, clothing, shelter, fuels, transportation fares, and other items that people buy for day to day living. The CPI shown above represents the U.S. city average for all urban consumers and is not seasonally adjusted.

There is no separate Consumer Price Index for Vermont or any area within the state.

Employment Trends

Total seasonally adjusted June employment gained slightly, up 900 from the previous month with 338,700 working Vermonters. This estimate includes all Vermont residents who worked, whether at wage and salary jobs, or as self-employed.

On a seasonally adjusted basis, the estimated number of nonfarm jobs was up, gaining 1,000 from the revised May estimate, to 304,800. Education & health services gained over 1,000, presenting both volatility and strength for the second month in a row. Leisure and hospitality continued to climb, adding 200 in June, signaling a stronger start to the summer tourist season. Retail also grew slightly, possibly due in part to the connection to summer tourism and travel activities. Manufacturing continued its downward trend, losing 100 jobs in June. Construction was somewhat weak, growing less than expected and hovering just above last year's level.

The more detailed unadjusted estimates increased by almost 2,700 in June, with much of the growth attributable to seasonality. Accommodations led the way, adding 1,600 jobs, as the summer season was well under way in most areas of the state. Construction expanded once again, as seasonal work was in full swing. Offsetting some of the gain were public & private education sectors, with many institutions having begun their typical summer hiatus.

The preliminary June estimates reflect an annual increase of just under 1.0%. The change in private sector employment is still modest and not significantly different from zero (statistically). Health care & social assistance added the most jobs over the year contributing additional 1,400 jobs. Manufacturing lost 2,700 jobs over the year, partially off-setting the gain. Leading the way within manufacturing was computer & electrical equipment, which was down almost 1,200 compared to last year.

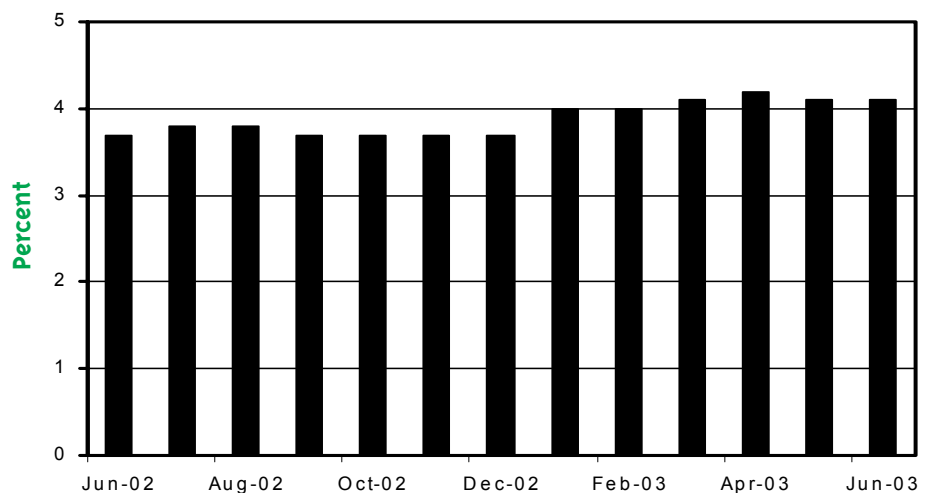
Unemployment Trends

Vermont's seasonally adjusted June unemployment rate of 4.1 percent was unchanged from the revised May rate, with an estimated 14,600 Vermonters unemployed during the month. However, the June rate was up four tenths of a percent from a year ago June.

The comparable national unemployment rate was 6.4 percent for June, up three tenths from May. Vermont continues to be well under the national rate.

The number of initial claims for Unemployment Insurance filed in June increased significantly from the previous month. Large increases in claims were found in industries associated with education, which is typical for June.

Vermont Seasonally Adjusted Unemployment Rate



Labor Force Estimates *(Seasonally Adjusted)*

Vermont	June '03	May '03	June '02	Changes from:	
				May '03	June '02
TOTAL LABOR FORCE¹	353,300	352,000	349,500	1,300	3,800
TOTAL EMPLOYMENT	338,700	337,800	336,500	900	2,200
TOTAL UNEMPLOYMENT	14,600	14,300	13,000	300	1,600
RATE	4.1	4.1	3.7	0.0	0.4

¹Includes proprietors, professionals, and unpaid family workers.
VCM Regression Methodology

Labor Market Areas *(Not Seasonally Adjusted)*

	June 2003	May 2003	June 2002		June 2003	May 2003	June 2002
BARRE-MONTPELIER				MORRISTOWN-STOWE			
Labor Force	42,100	40,800	41,250	Labor Force	19,700	18,400	19,050
Unemployment	1,600	1,400	1,450	Unemployment	850	850	700
Rate	3.8	3.5	3.5	Rate	4.3	4.7	3.6
Employment	40,500	39,400	39,800	Employment	18,900	17,550	18,400
BENNINGTON-MANCHESTER				NEWPORT			
Labor Force	22,500	22,050	22,000	Labor Force	13,700	13,350	13,250
Unemployment	900	950	900	Unemployment	750	750	700
Rate	4.1	4.2	4.1	Rate	5.5	5.7	5.4
Employment	21,550	21,100	21,100	Employment	12,950	12,600	12,500
BURLINGTON				RANDOLPH			
Labor Force	106,900	106,150	107,700	Labor Force	6,650	6,450	6,400
Unemployment	3,300	3,100	2,900	Unemployment	250	250	200
Rate	3.1	2.9	2.7	Rate	3.8	3.6	3.2
Employment	103,600	103,050	104,800	Employment	6,400	6,250	6,200
ENOSBURG				RUTLAND			
Labor Force	12,400	11,400	11,850	Labor Force	30,000	29,600	30,400
Unemployment	550	550	450	Unemployment	1,600	1,600	1,400
Rate	4.3	4.8	3.7	Rate	5.3	5.3	4.6
Employment	11,850	10,850	11,400	Employment	28,400	28,050	29,000
HARTFORD-LEBANON,VT-NH LMA (VT PORTION ONLY)				ST. JOHNSBURY			
Labor Force	30,850	30,200	30,700	Labor Force	15,700	15,300	15,300
Unemployment	550	600	450	Unemployment	750	650	700
Rate	1.8	1.9	1.5	Rate	4.7	4.4	4.7
Employment	30,300	29,650	30,200	Employment	14,950	14,600	14,600
KEENE-BRATTLEBORO,NH-VT LMA (ENTIRE AREA)				SPRINGFIELD			
Labor Force	58,350	57,500	57,250	Labor Force	9,900	9,750	9,700
Unemployment	1,850	1,750	1,800	Unemployment	600	650	600
Rate	3.2	3.0	3.2	Rate	6.2	6.5	6.3
Employment	56,500	55,800	55,400	Employment	9,300	9,150	9,100
MIDDLEBURY				STATEWIDE			
Labor Force	22,200	21,400	21,450	Labor Force	356,900	348,900	353,150
Unemployment	650	550	600	Unemployment	13,200	12,750	11,850
Rate	2.9	2.7	2.7	Rate	3.7	3.7	3.4
Employment	21,550	20,850	20,850	Employment	343,650	336,150	341,300

Monthly estimates are preliminary and subject to revision.

Detail may not add to totals due to rounding.

Vermont Seasonally Adjusted Nonfarm Employment in Thousands

BY NAICS	Prelim.	Revised	Revised	Changes From:	
	June '03	May '03	June '02	May '03	June '02
Total - All Industries	304.8	303.8	299.8	1.0	5.0
Private Industries	252.5	251.6	248.7	0.9	3.8
Construction	14.7	14.9	14.4	-0.2	0.3
Manufacturing	38.6	38.7	41.2	-0.1	-2.6
Retail Trade *	40.7	40.6	40.3	0.1	0.4
Professional & Business Services	21.0	21.0	20.2	0.0	0.8
Education & Health Services	53.3	52.0	50.3	1.3	3.0
Leisure & Hospitality*	33.9	33.7	33.2	0.2	0.7
Total Government	52.3	52.2	51.1	0.1	1.2

*These estimates are not endorsed by the U.S Bureau of Labor Statistics.

Note: Total - All Industries estimate is seasonally adjusted independently.

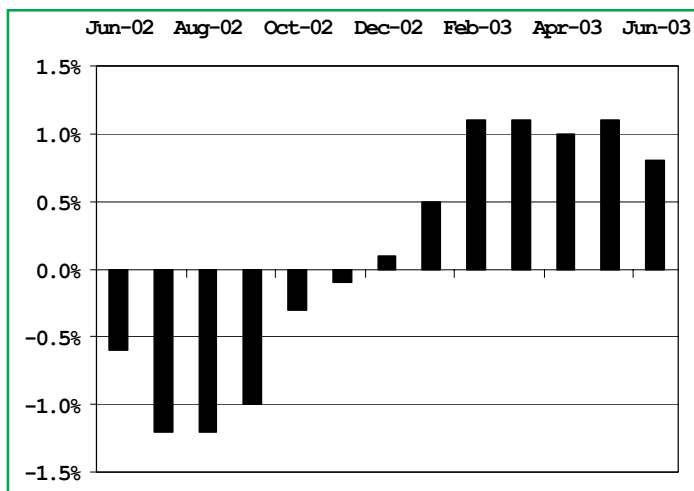
All seasonal adjustment performed with X12-ARIMA. Seasonal factors available from DET/LMI on request.

Produced by the Vermont Department of Employment and Training in cooperation with the U.S Bureau of Labor Statistics, unless otherwise noted.

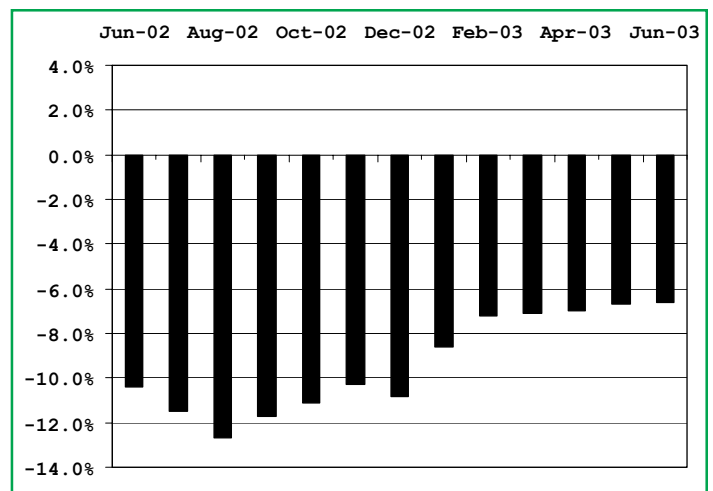
Vermont Annual Job Growth

Not Seasonally Adjusted Data

All Industries



Manufacturing



Nonfarm Employment In Vermont *(Not Seasonally Adjusted)*

Compiled by the Department of Employment and Training in cooperation with the Bureau of Labor Statistics, U.S. Department of Labor

INDUSTRY BY NAICS	Prelim.	Revised	Revised	Changes From:	
	June '03	May '03	June '02	May '03	June '02
TOTAL NONFARM	304,900	302,250	302,250	2,650	2,650
TOTAL PRIVATE	253,200	248,050	251,150	5,150	2,050
GOODS PRODUCING	55,900	54,800	58,450	1,100	-2,550
MANUFACTURING	38,850	38,600	41,550	250	-2,700
Durable Goods	27,950	27,800	30,100	150	-2,150
Computer & Electrical Equipment Mfg.	10,400	10,350	11,600	50	-1,200
Fabricated Metal Product Mfg.	2,750	2,750	2,900	0	-150
Machinery Mfg.	3,100	3,050	3,100	50	0
Transportation Equipment Mfg.	2,350	2,350	2,350	0	0
Furniture & Related Product Mfg.	2,600	2,500	2,750	100	-150
Non-Durable Goods	10,900	10,800	11,450	100	-550
Food Mfg.	3,850	3,800	4,100	50	-250
CONSTRUCTION	15,850	15,050	15,850	800	0
NATURAL RESOURCES & MINING	1,200	1,150	1,050	50	150
SERVICE-PROVIDING	249,000	247,450	243,800	1,550	5,200
TRADE TRANSPORTATION AND UTILITIES	60,250	59,850	59,300	400	950
Wholesale Trade	10,700	10,650	10,050	50	650
Retail Trade	40,600	40,300	40,400	300	200
Food & Beverage Stores	10,100	9,950	10,000	150	100
General Merchandise Store	3,500	3,350	3,400	150	100
Transportation, Warehousing and Utilities	8,950	8,900	8,850	50	100
Utilities	1,700	1,700	1,750	0	-50
Transportation & Warehousing	7,250	7,200	7,100	50	150
INFORMATION	6,850	6,800	6,700	50	150
FINANCIAL ACTIVITIES	13,300	13,150	13,250	150	50
Finance & Insurance	10,150	10,100	10,050	50	100
Real Estate, Rental & Leasing	3,150	3,050	3,200	100	-50
PROFESSIONAL AND BUSINESS SERVICES	21,300	21,000	20,600	300	700
Professional, Scientific and Technical	12,300	12,250	12,200	50	100
Administrative, Support and Waste	8,700	8,600	8,100	100	600
EDUCATIONAL AND HEALTH SERVICES	51,150	51,900	49,450	-750	1,700
Educational Services	11,700	12,700	11,400	-1,000	300
College, Universities and Professional	6,250	7,000	6,200	-750	50
Health Care and Social Assistance	39,450	39,200	38,050	250	1,400
Ambulatory Health Care Services	15,500	15,450	14,900	50	600
Hospitals	10,350	10,250	10,000	100	350
Nursing and Residential Care Facilities	6,750	6,700	6,500	50	250
LEISURE AND HOSPITALITY	33,850	30,400	33,050	3,450	800
Arts, Entertainment and Recreation	4,450	3,750	4,450	700	0
Accommodation and Food Services	29,400	26,650	28,600	2,750	800
Accommodations	10,250	8,650	10,100	1,600	150
Hotel & Motels	8,350	7,450	8,450	900	-100
Food Services and Drinking Places	19,150	18,000	18,500	1,150	650
OTHER SERVICES	10,600	10,150	10,350	450	250
GOVERNMENT	51,700	54,200	51,100	-2,500	600
Federal Government	6,350	6,300	5,900	50	450
State Government Education	6,000	8,100	5,950	-2,100	50
Local Government Education	22,800	23,850	22,800	-1,050	0
Other State Government	9,250	9,250	9,300	0	-50
Other Local Government	7,300	6,700	7,150	600	150

Nonfarm Employment By Area *(Not Seasonally Adjusted)*

Note: Monthly estimates are preliminary and subject to revision. See Annual Employment & Earnings for details. Benchmark 3/2002.

Burlington

INDUSTRY BY NAICS	Preliminary	Revised	Revised	Changes From:	
	June '03	May '03	June '02	May '03	June '02
TOTAL NONFARM	108,300	108,550	108,750	(250)	(450)
TOTAL PRIVATE	91,500	90,100	92,550	1,400	(1,050)
GOODS PRODUCING	20,650	20,250	22,650	400	(2,000)
MANUFACTURING	15,500	15,300	17,500	200	(2,000)
Durable Goods	12,300	12,100	13,700	200	(1,400)
Natural Resources and Mining	5,150	4,950	5,150	200	0
SERVICE PROVIDING	87,650	88,300	86,100	(650)	1,550
TRADE, TRANSPORTATION AND UTILITIES	21,200	21,000	21,250	200	(50)
Wholesale Trade	3,700	3,700	3,600	0	100
Retail Trade	14,450	14,350	14,550	100	(100)
Transportation, Warehousing & Utilities	3,050	2,950	3,100	100	(50)
INFORMATION	3,200	3,150	3,200	50	0
FINANCIAL ACTIVITIES	5,600	5,450	5,350	150	250
PROFESSIONAL & BUSINESS SERVICES	10,500	10,350	9,550	150	950
Professional Scientific and Technical	6,800	6,700	6,200	100	600
EDUCATIONAL & HEALTH SERVICES	17,100	17,250	16,900	(150)	200
Health Care and Social Assistance	13,900	13,800	13,650	100	250
LEISURE AND HOSPITALITY	9,550	9,050	9,800	500	(250)
Accommodation and Food Services	7,900	7,500	7,700	400	200
Food Services and Drinking Places	6,500	6,250	6,400	250	100
OTHER SERVICES	3,700	3,600	3,850	100	(150)
GOVERNMENT	16,800	18,450	16,200	(1,650)	600
Federal Government	2,950	2,950	2,500	0	450
State Government Education	4,300	5,650	4,250	(1,350)	50
Local Government Education	5,750	6,150	5,700	(400)	50
Other State Government	1,500	1,500	1,600	0	(100)
Other Local Government	2,300	2,200	2,150	100	150

Barre-Montpelier

TOTAL NONFARM	35,750	35,100	35,050	650	700
TOTAL PRIVATE	26,850	26,300	26,300	550	550
GOODS PRODUCING	4,750	4,650	5,050	100	-300
Manufacturing	3,100	3,100	3,350	0	-250
Natural Resources & Mining	1,650	1,550	1,700	100	-50
SERVICE-PROVIDING	31,000	30,450	30,000	550	1000
TRADE, TRANSPORTATION AND UTILITIES	6,300	6,200	6,050	100	250
Wholesale Trade	1,050	1,050	1,000	0	50
Retail Trade	4,400	4,350	4,200	50	200
Transportation, Warehousing & Utilities	850	800	850	50	0
INFORMATION	700	700	700	0	0
FINANCIAL ACTIVITIES	2,950	2,900	2,800	50	150
PROFESSIONAL AND BUSINESS SERVICES	2,100	2,050	1,950	50	150
EDUCATIONAL & HEALTH SERVICES	5,450	5,500	5,300	-50	150
Health Care and Social Assistance	3,900	3,800	3,750	100	150
LEISURE AND HOSPITALITY	3,100	2,850	3,000	250	100
Accommodation and Food Services	2,650	2,500	2,600	150	50
OTHER SERVICES	1,500	1,450	1,450	50	50
GOVERNMENT	8,900	8,800	8,750	100	150
Federal Government	350	350	350	0	0
State Government Education	300	250	300	50	0
Local Government Education	3,000	3,000	2,700	0	300
Other State Government	4,550	4,550	4,700	0	-150
Other Local Government	700	650	700	50	0

Unemployment Insurance Program Summary

	June 2003	May 2003	June 2002	Percent Change From Last Month Last Year	
UI Trust Fund	\$255,466,751	\$263,361,704	\$303,563,957	-3.0%	-15.8%
UI Reg. Benefit Payments *	\$7,946,146	\$7,375,917	\$6,125,879	7.7%	29.7%
UI Initial Claims	4,453	3,747	3,042	18.8%	46.4%
UI Weeks Claimed	37,935	34,036	33,838	11.5%	12.1%

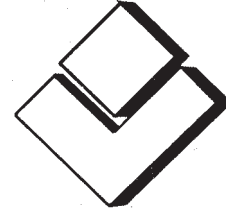
**Includes benefit payments for reimbursable employers.*

Average Hours and Earnings of Production and Nonsupervisory Workers

INDUSTRY BY NAICS	Average Weekly Earnings(\$)			Average Weekly Hours			Average Hourly Earnings(\$)		
	June '03 Prelim.	May '03 Revised	June '02 Revised	June '03 Prelim.	May '02 Revised	June '02 Revised	June '03 Prelim.	May '03 Revised	June '02 Revised
GOODS PRODUCING	595.23	585.18	587.32	40.3	39.7	40.2	14.77	14.74	14.61
Natural Resources & Mining	460.32	458.62	442.26	33.6	33.5	32.4	13.70	13.69	13.65
Construction	633.45	604.07	642.30	41.0	39.2	41.6	15.45	15.41	15.44
Manufacturing	584.11	582.25	570.97	40.2	40.1	39.9	14.53	14.52	14.31
Durable Goods	606.16	604.26	594.14	40.6	40.5	40.5	14.93	14.92	14.67
Non-Durable Goods	517.14	516.75	499.87	39.0	39.0	38.1	13.26	13.25	13.12
SERVICE PROVIDING									
Wholesale Trade	628.99	626.85	640.80	35.1	35.0	36.0	17.92	17.91	17.80
Retail Trade	365.02	362.34	356.03	30.7	30.5	30.3	11.89	11.88	11.75
Health Care & Social Assist.	540.59	538.49	524.47	29.9	29.8	29.3	18.08	18.07	17.90
BURLINGTON AREA									
Manufacturing	573.80	571.91	571.14	37.8	37.7	38.0	15.18	15.17	15.03

Vermont Department of

Labor & Industry



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Commissioner's Message

Searching for Solutions on Workers Compensation

Workers compensation is an issue of great concern to many Vermont employers and employees. The cost of workers comp insurance has skyrocketed in Vermont over the past few years, to the point where some employers have had to cut back on payroll in order to pay their insurance bills. Many business owners claim that overly generous benefits and abuses of the system are making workers comp insurance too costly. Similarly, many injured workers and those that represent them have voiced their concerns that Vermont's workers comp system is not as effective as it should be in resolving claims in a timely manner and getting injured workers back to work. There may be a difference in opinion as to what parts of the system need fixing, but there is a developing consensus that something has to be done.

In the fiscal year 2004 budget, the General Assembly authorized an ambitious review and study of Vermont's workers' compensation system. This is perhaps the most comprehensive analysis of the system since 1993-1994, when a similar study resulted in a number of positive reforms. We are hopeful that this year's study will help us identify improvements to the system.

A key component of this year's study is a six-person Advisory Committee, evenly balanced between business and labor. This group will be analyzing the system and recommending proposals for change. It is expected that the Committee's proposals will form the basis for a workers comp reform bill to be introduced when the Legislature returns in January 2004.

We want to hear your thoughts on Vermont's workers' compensation system. Whether you are an employer, an employee, or just someone with an interest in the system, you are encouraged to submit your comments to the Advisory Committee by e-mail, fax or U.S. mail:

e-mail: wcstudy@labind.state.vt.us fax: 1-802-828-0408
 mail: Workers' Compensation Advisory Committee
 c/o Mike Bertrand, Commissioner
 Department of Labor and Industry
 National Life Drive, Drawer 20
 Montpelier, VT 05620-3401

We will be posting news and information about the study on the Labor and Industry website at www.state.vt.us/labind, including upcoming meetings of the Advisory Committee. If you have further questions about workers comp or the study, please do not hesitate to contact my office.

"Culture of Safety" in Your Workplace

Employers throughout the state of Vermont are experiencing increases in their workers compensation rates. In some cases, these increases are significant and in a few cases may present a threat to the viability of the business. A study of Vermont's workers compensation system is already underway (please refer to the Commissioner's message), and it can be expected that workers comp reform will be a hot topic when the General Assembly returns in January.

While a review of our workers comp system is welcome news to Vermont employers, we all must recognize that the single most effective way for a business to

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control their workers comp costs is by reducing or eliminating workplace injuries and illnesses.

Here at the Department of Labor & Industry – home to both the state’s workers comp administration and the state’s two workplace safety programs – we often talk of creating a “**culture of safety**” in the workplace. Employers and employees must make a commitment to improving their health and safety records, and all must agree that eliminating hazards and reducing injuries is a top priority. Once this level of commitment is reached, management and labor should work together to review the workplace, identify existing and/or potential hazards, and then eliminate or minimize those hazards.

As an employer, you should make it clear to your employees that you value their health and safety. Let them know that you are personally committed to reducing work-related injuries. Perhaps most importantly, let your employees know that their input is welcome and necessary. Working together to improve workplace safety is an excellent opportunity to build trust between management and labor.

You may find that you need professional assistance to address some of your workplace safety issues. Many industry groups, like Associated General Contractors of Vermont (AGC) and Associated Industries of Vermont (AIV), provide workplace safety training programs. AGC recently opened the Northeast Regional Safety

Academy (NERSA) in Montpelier, the first hands-on training facility of it’s kind in Vermont. Your workers comp insurer is also an excellent resource, and many insurers offer consultative services that will help you identify and correct hazards.

State government can help you as well. There are two programs run by the Department of Labor and Industry staffed by experienced people who truly care about safety in the workplace. Those two programs are VOSHA and Project WorkSAFE.

VOSHA is Vermont’s “state plan” for enforcing federal OSHA rules and regulations. VOSHA inspectors respond to complaints about unsafe working conditions, and regularly perform unannounced compliance inspections. Penalties are assessed for observed violations, and VOSHA works with employers to correct those hazards – approximately 95% of the cases are informally resolved through correction and/or acceptance of reduced penalties.

In keeping with it’s five year strategic plan, VOSHA will be targeting industries that have a high number of injuries and illnesses, and will also be targeting some injuries that occur across a broad range of industries. For instance, VOSHA inspectors will not pass a trench without stopping to ensure that appropriate safety precautions have been taken. They also routinely inspect work being performed on scaffolding to ensure that the workers have appropriate fall protection. In the future, VOSHA will be paying particular attention to improving safety in highway work zones and

at nursing homes, and will be entering the brave new world of ergonomics (targeting those industries for which ergonomic guidelines have been developed).

Project WorkSAFE operates quite a bit differently. WorkSAFE is a voluntary program that employers can contact to help them identify and correct workplace hazards. WorkSAFE can also provide training for employers and employees in the workplace hazards they might be exposed to. Hazards that are identified during a WorkSAFE visit are exempt from penalties as long as the hazard is corrected in a timely manner. Over the years hundreds of Vermont businesses have utilized WorkSAFE’s free and confidential services, and we expect those numbers to increase as more employers learn about this great program.

Both VOSHA and WorkSAFE have what are loosely termed “inspection exemption” programs, the WorkSAFE Safety and Health Achievement Recognition Program (SHARP) and the VOSHA Voluntary Protection Program (VPP). The SHARP program recognizes small, high-hazard employers who operate exemplary safety and health programs, rewarding them by removing their name from VOSHA’s programmed inspection schedule. Similarly, the VPP program recognizes companies with exemplary safety and health programs where management has demonstrated a commitment to their employees’ health and well being. Both of these recognition programs recognize that compliance enforcement alone can never fully achieve

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our workplace safety objectives – we need aggressive safety management programs as well.

Lane Kirkland once said “there must be a partnership of government, business and labor.” That is particularly true when it comes to improving safety in the workplace. Let’s work together to keep Vermont’s workers safe, healthy and happy.

***For further information about VOSHA or Project WorkSAFE,
please point your web browser to
www.state.vt.us/labind
or call 1-800-SAFE-YES (for WorkSAFE)
or 1-802-828-2765 (VOSHA).***