

# The Vermont Labor Market

Departments of Employment & Training / Labor & Industry

Vermont Department of

## Employment & Training

June 2004

P.O. Box 488 • Montpelier, Vermont 05601-0488 • Tel.: (802) 828-4000 • FAX: (802) 828-4022

<http://www.det.state.vt.us>

### Commissioner's Message

#### Operating Heavy Equipment 101

By Anne V. Ginevan, Commissioner of Employment & Training

In the last two months over 2,000 jobs have been added to the construction industry in Vermont. Of course, this is to be expected with the onset of the construction season, however, it also makes finding skilled workers more difficult. In early May, Vermont's first heavy equipment operator course was offered and completed as part of an effort to ease the strain on the industry. The Vermont Department of Employment and Training, using monies granted through the State's Workforce Education and Training Fund, along with the Associated General Contractors of Vermont and the Agency of Transportation Civil Rights Division brought this training to fruition.

Twenty-five students enrolled in the two-week course. Over 120

*(Continued on page 2)*

Labor & Industry section  
begins on page 10

### The Edge

#### Brain Drain and Future Workforce

Paul Gottlieb wrote an article for the *Living Cities Census Series* analyzing the location and migration patterns of younger and older workers, in the nation's most populous metropolitan areas. Titled *Labor Supply Pressures and the 'Brain Drain': Signs from Census 2000*, he urges state and local policymakers to consider "shifting their emphasis from increasing the quantity of certain types of workers, toward embracing human capital development as a longer-term goal."

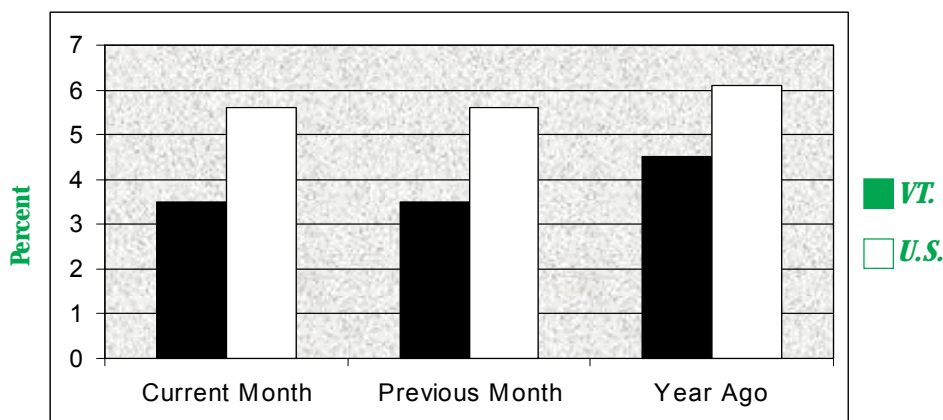
#### Some of his findings include:

- The proportion of workers who are young and educated is the highest in the Northeast region, followed by the Midwest, the South and the West. This is interesting in that there has been a notion that the 'brain drain' has depleted the Midwest of its younger and more talented workers. In actuality, the South and West have higher proportions of younger residents

*(Continued on page 3)*

#### Unemployment Rates Vermont and U.S.

May (SA) 2004 Rates  
VT 3.5% • U.S. 5.6%



## Commissioner's Message –

*(continued from front page)*

applied, and of the twenty-five accepted, twelve were women. Students came from all over the state hoping to increase their chances for both financially rewarding and generally fulfilling work in the construction industry. They spent 40 hours of class time and 40 hours of seat time on equipment ranging from excavators, bucket loaders, backhoes, loaders, bulldozers and skidders. They constructed a parking lot while learning about preoperational inspections, roadway work zones, maintenance and limitations of the equipment, OSHA safety, and other related skills for employment, including interview skills. At the conclusion of the course, the students received a certificate of completion for the 80 hours as well as an OSHA 10-hour certification.

By actually operating the actual heavy equipment used in the construction and maintenance of roads, bridges, airports, gas and oil pipelines, tunnels, buildings and other structures the students are prepared for a variety of jobs. Most have already been employed by construction companies, heavy equipment contractors, and public works departments.

This program is meeting the needs of the construction industry by providing trained workers who will satisfy that industry's growth and replacement needs for the coming years. It could not have happened without the cadre of volunteer instructors from many AGC member companies including: Triad, Nicom, SD Ireland, MA Holden Consulting, JA McDonald, Markowski Excavating, Vermont Gas Systems, Waste, Inc., Engineers Construction, and Woods CRW Corp. The

Associated General Contractors along with its partners hope to be able to repeat this offering in the coming year.



## **The Edge** - *(continued from front page)*

(25-34 year olds), but fewer of these workers have bachelor's degrees.

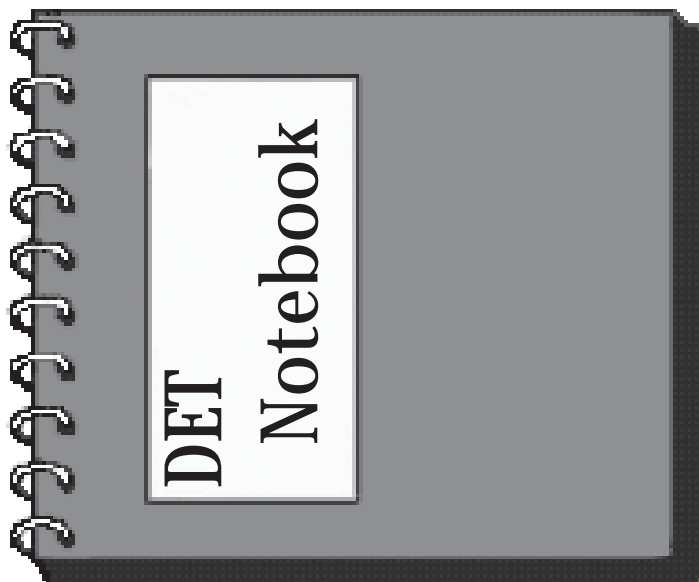
- Metropolitan areas that captured the largest number of new 25-34 year old residents between 1990 and 2000 are located almost exclusively in the South and West. Net migration of this age group to these areas was double that to metro areas in the Midwest and four times that to metro areas in the Northeast.

- Young workers migrated more often to high-amenity, high-human-capital metropolitan areas than older workers (35-64 year olds). Some of the highest ranking cities as far as net growth in young workers were San Francisco, Denver, Seattle, and Atlanta.

- Metropolitan areas in the Northeast have the highest proportions of workers between the ages of 55 and 64. In fact, at least one in nine workers in metropolitan areas throughout greater New York and Pennsylvania are nearing retirement age. These older workers are also more apt to have higher levels of educational attainment, which signals the potential decline in skilled labor in the Northeast.

What do these findings mean to our economy? Probably the most serious effect has to do with skilled workers and where they end up. College-educated young people, generally are more likely to be familiar with newer technologies and ideas. With technology continuing to change rapidly, a large cohort of young workers could be a significant economic advantage. In addition, younger workers have fewer family responsibilities and tend to be more entrepreneurial and risk taking than older workers. Without a significant number of these types of workers, a metropolitan area's economic growth and competitiveness could be hindered.

If we accept educated young people as an economic asset, it makes sense that many states and metro areas are implementing "brain drain" programs designed to retain or attract college graduates, especially from their own regions. Age diversity, however, is important and any effective business community needs a range of age levels and associated skills. The complete survey, which is available at [http://www.brookings.edu/es/urban/publications/20040116\\_gottlieb.htm](http://www.brookings.edu/es/urban/publications/20040116_gottlieb.htm) analyzes the dynamics of labor supply in the 100 largest metropolitan areas in the US and concludes with a discussion of the policy implications of the results. Vermont information is not included because we do not have a Metropolitan Statistical Area of 519,000 residents or more. Data from the US Census Bureau, however, indicates Vermont's population (age 25 and up) is relatively well-educated. Approximately 29 percent of this group have a bachelor's degree or higher, which is 5 percentage points more than the national figure.



## Why Franklin County?

Why Franklin County? Why not? Franklin County has fared extremely well in the recent economic recession. Our regional economy has thrived. There are many reasons for this and DET has been a substantial contributor to the overall success of our local economy.

## Economic Development

The largest employment sectors in northern Vermont continued to be manufacturing, trades and services. Manufacturing still plays a major economic and employment role in Franklin County. The manufacturing sector has benefited from the relocation of one of Ben & Jerry's warehouses and the expansion of Energizer, Vermont Precision Tools and Mylan Technologies to name a few. We just closed 5 high-end job orders with Energizer. Both Energizer and Vermont Precision Tools use our DET office exclusively for their hiring needs.

## Business and Industrial Centers

The Village of Enosburg Falls received funding from the U.S. Economic Development Administration (EDA) for an Agri-Park that will host up to eleven new agriculture-based businesses. The multi-tenant facility in the Swanton Industrial Park is also a recipient of EDA funding. DET St. Albans was critical in the effort to lure Stedfast to the multi-tenant facility and our Employer Resource Consultant created a job development for the *Industrial Production Manager* that they eventually hired.

## Local Revolving Loan Funds

The following revolving loan funds are available throughout the region: Bakersfield, Enosburg Falls, Highgate, Richford, St. Albans Community Development and Franklin County Industrial Development Corporation. These are low interest loans that directly benefit the local communities.

## Agriculture

Franklin County is the leading dairy producer in the state. The county represents 15% of the state's farm acreage and 28% of EDCNV district's agricultural land. Franklin County also employs 16% of the State's hired agriculture workers, claims 21% of the value of all agricultural products sold and leads the state with 24% of the dairy products sold. *The St. Albans Cooperative Creamery* in St. Albans is a major employer and buys milk from farms throughout Franklin and Grand Isle Counties. *Franklin Foods* in Enosburg also provides numerous jobs. The new Agri-Park in Enosburg Falls hopes to attract additional dairy businesses to the county. The *Co-Op* is another business that recruits exclusively through DET.

Though not unique to Franklin County, there are some areas that could use improvement to benefit the overall well being of our economy. They include housing, childcare, telecommunications and transportation to name a few. Fortunately, in Franklin County, our strengths outweigh our weaknesses.

We are a vibrant and growing area that doesn't ask "**Why Franklin County?**" We ask "**Why Not?**"

# Economic Spotcheck

## Local Unemployment Rates (Not Seasonally Adjusted)

Town/City*	May '04	Apr. '04	May '03
Barre City	5.4	6.9	6.5
Barre Town	1.7	2.1	2.2
Bennington Town	3.6	4.3	5.6
Brattleboro Town	3.1	3.3	4.2
Burlington City	2.8	2.7	4.1
Colchester Town	2.0	2.6	3.1
Essex Town	2.2	2.4	2.8
Hartford Town	1.3	1.6	1.8
Middlebury Town	1.6	2.4	1.9
Milton Town	3.8	4.5	3.6
Montpelier City	1.7	1.8	2.1
Rutland City	3.3	3.4	4.3
Shelburne Town	1.0	1.0	1.4
So. Burlington City	1.8	1.9	2.5
Springfield Town	4.2	4.6	8.4
Williston Town	0.8	0.9	0.7

\*16 Largest Towns in Vermont

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

	May 2004	Apr. 2004	May 2003
All Items Index	189.1	188.0	183.5
Annual Percent Change	3.1	2.3	2.1

**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 May employment dropped slightly, down 300 from the previous month with 340,000 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 dipped by 0.1 % to 300,600 for a loss of just 300 jobs. Most sectors were down over the month. Part of the downturn was due to the completion of a major temporary project at an electrical generating facility, which contributed to the April increase. Construction was not quite as vigorous as in some years past during the same period. Employment in Manufacturing and Retail was also soft, each losing 200 jobs. Leisure & Hospitality presented positive results, turning slightly upward as the industry began one of its seasonal transitions.

The more detailed unadjusted estimates edged up, adding almost 1,000 jobs. Construction was the largest contributor. Warmer weather allowed seasonal hiring, adding almost 1,300 jobs. Administrative & Support Services also experienced an influx seasonal jobs, which includes landscaping services as well as temporary help agencies. Food Services and Entertainment combined to add 1,200 jobs, while

Accommodations worked to offset that gain, resulting in an overall loss of 200 in Leisure & Hospitality. Employment also fell in both Private and Public Education as summer break began for many schools around the state.

The preliminary May estimates reflect an annual increase of 0.4%. The annual change in Private Industry was not considered statistically significant. At the forefront was Health Care & Social Assistance. Manufacturing, once again, continued to lead the way in terms of annual losses.

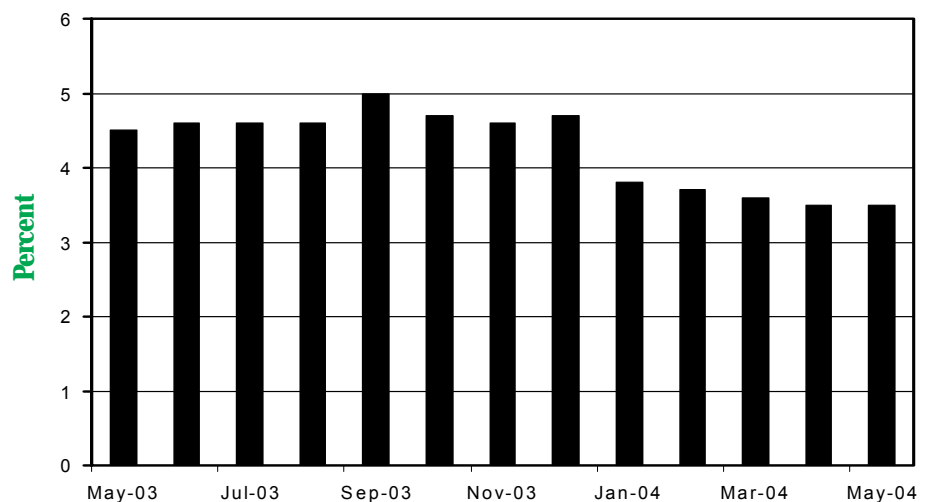
### Unemployment Trends

Vermont's seasonally adjusted May unemployment rate of 3.5% was unchanged from the revised April rate. An estimated 12,300 Vermonters were unemployed in May.

The comparable national unemployment rate was 5.6%, unchanged from the previous month. Vermont continues to be well under the national rate.

The number of initial claims for Unemployment Insurance filed in May were down significantly from the previous month. Service Industries had the largest decline followed by Manufacturing. Claims in Construction continued to decline with the onset of spring.

## Vermont Seasonally Adjusted Unemployment Rate



# Labor Force Estimates *(Seasonally Adjusted)*

Vermont	May '04	Apr. '04	May '03	Changes from:	
				Apr. '04	May '03
<b>TOTAL LABOR FORCE<sup>1</sup></b>	352,300	352,800	350,400	-500	1,900
<b>TOTAL EMPLOYMENT</b>	340,000	340,300	334,600	-300	5,400
<b>TOTAL UNEMPLOYMENT</b>	12,300	12,500	15,800	-200	-3,500
<b>RATE</b>	3.5	3.5	4.5	0.0	-1.0

<sup>1</sup>Includes proprietors, professionals, and unpaid family workers.  
VCM Regression Methodology

## Labor Market Areas *(Not Seasonally Adjusted)*

	May 2004	Apr. 2004	May 2003		May 2004	Apr. 2004	May 2003
<b>BARRE-MONTPELIER</b>				<b>MORRISTOWN-STOWE</b>			
Labor Force	40,400	40,550	39,800	Labor Force	17,950	18,900	18,250
Unemployment	1,250	1,550	1,550	Unemployment	750	1,100	950
Rate	3.0	3.8	3.9	Rate	4.2	5.8	5.2
Employment	39,200	39,000	38,250	Employment	17,200	17,800	17,300
<b>BENNINGTON-MANCHESTER</b>				<b>NEWPORT</b>			
Labor Force	21,100	21,250	21,600	Labor Force	13,500	13,400	13,500
Unemployment	700	850	1,050	Unemployment	700	950	850
Rate	3.4	4.0	4.8	Rate	5.0	7.1	6.3
Employment	20,400	20,400	20,550	Employment	12,800	12,450	12,650
<b>BURLINGTON</b>				<b>RANDOLPH</b>			
Labor Force	108,550	107,550	106,950	Labor Force	6,400	6,550	6,350
Unemployment	2,600	2,900	3,450	Unemployment	250	350	250
Rate	2.4	2.7	3.2	Rate	4.3	5.5	4.1
Employment	106,000	104,650	103,500	Employment	6,150	6,200	6,100
<b>ENOSBURG</b>				<b>RUTLAND</b>			
Labor Force	11,100	10,500	11,200	Labor Force	30,900	30,900	30,000
Unemployment	450	600	600	Unemployment	1,500	1,600	1,750
Rate	4.0	5.8	5.4	Rate	4.8	5.1	5.9
Employment	10,650	9,850	10,600	Employment	29,400	29,300	28,200
<b>HARTFORD-LEBANON,VT-NH LMA (VT PORTION ONLY)</b>				<b>ST. JOHNSBURY</b>			
Labor Force	29,300	29,150	29,050	Labor Force	14,900	15,100	15,100
Unemployment	500	650	650	Unemployment	500	750	750
Rate	1.7	2.2	2.2	Rate	3.3	5.0	4.9
Employment	28,800	28,500	28,400	Employment	14,400	14,350	14,350
<b>KEENE-BRATTLEBORO,NH-VT LMA (ENTIRE AREA)</b>				<b>SPRINGFIELD</b>			
Labor Force	57,450	58,250	56,800	Labor Force	9,400	10,100	9,700
Unemployment	1,800	2,000	1,900	Unemployment	450	500	700
Rate	3.2	3.4	3.3	Rate	4.9	5.1	7.3
Employment	55,650	56,250	54,900	Employment	8,950	9,600	9,000
<b>MIDDLEBURY</b>				<b>STATEWIDE</b>			
Labor Force	21,350	21,000	21,550	Labor Force	348,700	348,850	346,500
Unemployment	500	650	650	Unemployment	11,000	13,400	14,200
Rate	2.2	3.0	3.0	Rate	3.2	3.8	4.1
Employment	20,900	20,350	20,900	Employment	337,700	335,450	332,350

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	<i>Prelim.</i>	<i>Revised</i>	<i>Revised</i>	<i>Changes From:</i>	
	<i>May '04</i>	<i>Apr. '04</i>	<i>May '03</i>	<i>Apr. '04</i>	<i>May '03</i>
<b>Total - All Industries</b>	<b>300.6</b>	<b>300.9</b>	<b>298.5</b>	<b>-0.3</b>	<b>2.1</b>
<b>Private Industries</b>	<b>248.9</b>	<b>249.1</b>	<b>246.6</b>	<b>-0.2</b>	<b>2.3</b>
Construction	15.8	16.1	15.2	-0.3	0.6
Manufacturing	37.0	37.2	37.8	-0.2	-0.8
Retail Trade *	38.9	39.1	39.3	-0.2	-0.4
Professional & Business Services	20.6	20.6	20.3	0.0	0.3
Private Ed. Services*	12.6	12.7	12.5	-0.1	0.1
Health Care & Social Assistance*	41.0	41.2	39.6	-0.2	1.4
Leisure & Hospitality*	33.1	32.9	32.8	0.2	0.3
<b>Total Government</b>	<b>51.7</b>	<b>51.8</b>	<b>51.9</b>	<b>-0.1</b>	<b>-0.2</b>

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

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

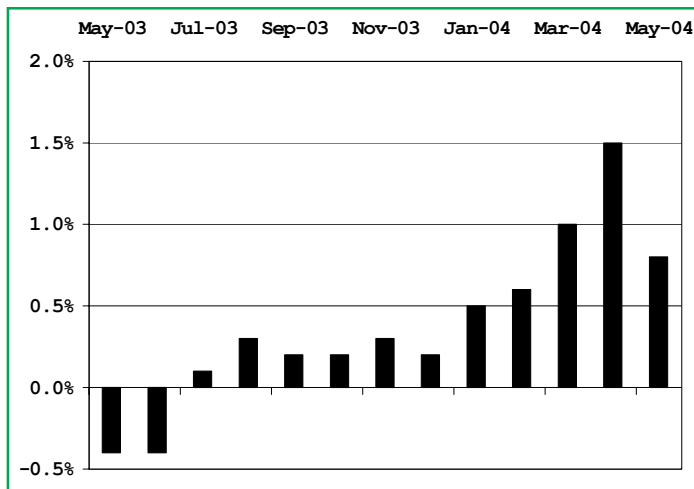
All seasonal adjustment performed with X12-ARIMA. Seasonal factors available from DET/LMI on request.

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

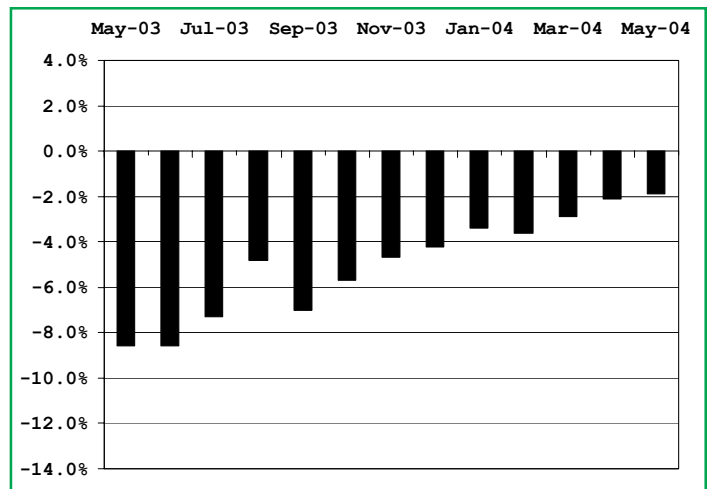
## Vermont Annual Job Growth

### 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	<i>Prelim.</i>	<i>Revised</i>	<i>Revised</i>	<i>Changes From:</i>	
	<i>May '04</i>	<i>Apr. '04</i>	<i>May '03</i>	<i>Apr. '04</i>	<i>May '03</i>
<b>TOTAL NONFARM</b>	<b>299,350</b>	<b>298,400</b>	<b>298,100</b>	<b>950</b>	<b>1,250</b>
<b>TOTAL PRIVATE</b>	<b>245,350</b>	<b>244,100</b>	<b>244,100</b>	<b>1,250</b>	<b>1,250</b>
<b>GOODS PRODUCING</b>	<b>53,850</b>	<b>52,400</b>	<b>54,250</b>	<b>1,450</b>	<b>-400</b>
MANUFACTURING	37,050	36,900	37,750	150	-700
Durable Goods	26,400	26,300	27,150	100	-750
Computer & Electrical Equipment Mfg.	9,300	9,200	9,850	100	-550
Fabricated Metal Products Mfg.	2,900	2,900	2,800	0	100
Machinery Mfg.	3,050	3,050	3,000	0	50
Transportation Equipment Mfg.	2,450	2,450	2,250	0	200
Furniture & Related Product Mfg.	2,500	2,500	2,300	0	200
Non-Durable Goods	10,650	10,600	10,600	50	50
Food Mfg.	3,750	3,700	3,650	50	100
CONSTRUCTION	15,850	14,600	15,550	1,250	300
NATURAL RESOURCES & MINING	950	900	950	50	0
<b>SERVICE-PROVIDING</b>	<b>245,500</b>	<b>246,000</b>	<b>243,850</b>	<b>-500</b>	<b>1,650</b>
TRADE, TRANSPORTATION AND UTILITIES	57,400	56,950	57,650	450	-250
Wholesale Trade	10,250	10,200	10,200	50	50
Retail Trade	38,500	38,200	38,850	300	-350
Food & Beverage Stores	9,250	9,100	9,550	150	-300
General Merchandise Store	2,850	2,800	2,850	50	0
Transportation, Warehousing and Utilities	8,650	8,550	8,600	100	50
Utilities	1,750	1,750	1,750	0	0
Transportation & Warehousing	6,900	6,800	6,850	100	50
INFORMATION	6,550	6,450	6,550	100	0
FINANCIAL ACTIVITIES	13,100	13,050	13,150	50	-50
Finance & Insurance	10,050	10,100	10,100	-50	-50
Real Estate, Rental & Leasing	3,050	2,950	3,050	100	0
PROFESSIONAL AND BUSINESS SERVICES	20,850	20,250	20,550	600	300
Professional, Scientific and Technical	12,150	12,050	12,250	100	-100
Administrative, Support and Waste	8,300	7,850	8,050	450	250
EDUCATIONAL AND HEALTH SERVICES	53,750	54,200	52,250	-450	1,500
Educational Services	12,800	13,200	12,700	-400	100
College, Universities and Professional	7,050	7,350	7,000	-300	50
Health Care and Social Assistance	40,950	41,000	39,550	-50	1,400
Ambulatory Health Care Services	15,750	15,750	15,500	0	250
Hospitals	10,300	10,300	10,050	0	250
Nursing and Residential Care Facilities	6,750	6,750	6,600	0	150
LEISURE AND HOSPITALITY	29,750	29,950	29,550	-200	200
Arts, Entertainment and Recreation	3,600	3,100	3,800	500	-200
Accommodation and Food Services	26,150	26,850	25,750	-700	400
Accommodations	8,750	10,150	8,250	-1,400	500
Hotel & Motels	7,850	9,200	7,200	-1,350	650
Food Services and Drinking Places	17,400	16,700	17,500	700	-100
OTHER SERVICES	10,100	10,850	10,150	-750	-50
<b>GOVERNMENT</b>	<b>54,000</b>	<b>54,300</b>	<b>54,000</b>	<b>-300</b>	<b>0</b>
Federal Government	6,100	6,100	6,250	0	-150
State Government Education	7,500	8,500	7,400	-1,000	100
Local Government Education	24,300	24,000	24,350	300	-50
Other State Government	9,200	9,050	9,250	150	-50
Other Local Government	6,900	6,650	6,750	250	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:	
	May '04	Apr. '04	May '03	Apr. '04	May '03
<b>TOTAL NONFARM</b>	<b>110,000</b>	<b>108,600</b>	<b>108,600</b>	<b>1,400</b>	<b>1,400</b>
<b>TOTAL PRIVATE</b>	<b>90,800</b>	<b>89,400</b>	<b>90,050</b>	<b>1,400</b>	<b>750</b>
<b>GOODS PRODUCING</b>	<b>20,250</b>	<b>19,900</b>	<b>20,750</b>	<b>350</b>	<b>-500</b>
MANUFACTURING	14,850	14,750	15,550	100	-700
Durable Goods	11,350	11,300	12,000	50	-650
NATURAL RESOURCES, MINING & CONST.	5,400	5,150	5,200	250	200
<b>SERVICE PROVIDING</b>	<b>89,750</b>	<b>88,700</b>	<b>87,850</b>	<b>1,050</b>	<b>1,900</b>
TRADE, TRANSPORTATION AND UTILITIES	20,900	20,650	21,000	250	-100
Wholesale Trade	3,700	3,700	3,800	0	-100
Retail Trade	14,250	14,050	14,100	200	150
Transportation, Warehousing & Utilities	2,950	2,900	3,100	50	-150
INFORMATION	3,350	3,300	3,100	50	250
FINANCIAL ACTIVITIES	5,350	5,200	5,350	150	0
PROFESSIONAL & BUSINESS SERVICES	10,000	9,600	9,700	400	300
Professional Scientific and Technical	6,300	6,050	6,150	250	150
EDUCATIONAL & HEALTH SERVICES	18,000	18,350	17,500	-350	500
Health Care and Social Assistance	14,800	14,800	14,050	0	750
LEISURE AND HOSPITALITY	9,250	8,700	9,050	550	200
Accommodation and Food Services	7,400	7,050	7,350	350	50
Food Services and Drinking Places	6,300	6,050	6,150	250	150
OTHER SERVICES	3,700	3,700	3,600	0	100
<b>GOVERNMENT</b>	<b>19,200</b>	<b>19,200</b>	<b>18,550</b>	<b>0</b>	<b>650</b>
Federal Government	2,850	2,850	2,900	0	-50
State Government Education	6,150	6,400	5,750	-250	400
Local Government Education	6,100	6,000	6,050	100	50
Other State Government	1,700	1,650	1,600	50	100
Other Local Government	2,400	2,300	2,250	100	150

### Barre-Montpelier

<b>TOTAL NONFARM</b>	<b>34,350</b>	<b>34,200</b>	<b>33,950</b>	<b>150</b>	<b>400</b>
<b>TOTAL PRIVATE</b>	<b>25,550</b>	<b>25,350</b>	<b>25,200</b>	<b>200</b>	<b>350</b>
<b>GOODS PRODUCING</b>	<b>4,700</b>	<b>4,550</b>	<b>4,700</b>	<b>150</b>	<b>0</b>
MANUFACTURING	2,950	2,950	3,050	0	-100
NATURAL RESOURCES, MINING & CONST.	1,750	1,600	1,650	150	100
<b>SERVICE-PROVIDING</b>	<b>29,650</b>	<b>29,650</b>	<b>29,250</b>	<b>0</b>	<b>400</b>
TRADE, TRANSPORTATION AND UTILITIES	5,900	5,850	5,750	50	150
Wholesale Trade	900	900	950	0	-50
Retail Trade	4,250	4,200	4,100	50	150
Transportation, Warehousing & Utilities	750	750	700	0	50
INFORMATION	650	650	700	0	-50
FINANCIAL ACTIVITIES	2,600	2,600	2,650	0	-50
PROFESSIONAL AND BUSINESS SERVICES	2,150	2,050	1,950	100	200
EDUCATIONAL & HEALTH SERVICES	5,350	5,400	5,350	-50	0
Health Care and Social Assistance	3,750	3,700	3,800	50	-50
LEISURE AND HOSPITALITY	2,800	2,850	2,700	-50	100
Accommodation and Food Services	2,500	2,500	2,350	0	150
OTHER SERVICES	1,400	1,400	1,400	0	0
<b>GOVERNMENT</b>	<b>8,800</b>	<b>8,850</b>	<b>8,750</b>	<b>-50</b>	<b>50</b>
Federal Government	350	350	350	0	0
State Government Education	300	350	250	-50	50
Local Government Education	2,750	2,750	2,800	0	-50
Other State Government	4,750	4,750	4,650	0	100
Other Local Government	650	650	700	0	-50

## Unemployment Insurance Program Summary

	<i>May 2004</i>	<i>April 2004</i>	<i>May 2003</i>	<i>Percent Change From Last Month Last Year</i>	
UI Trust Fund	\$234,601,724	\$224,399,925	\$263,361,704	4.5%	-10.9%
UI Reg. Benefit Payments *	\$5,804,857	\$8,057,831	\$7,375,917	-28.0%	-21.3%
UI Initial Claims	2,489	4,515	3,747	-44.9%	-33.6%
UI Weeks Claimed	28,303	35,876	34,036	-21.1%	-16.8%

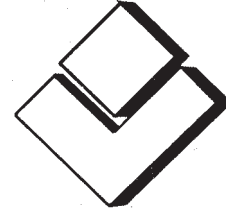
*\*Includes benefit payments for reimbursable employers.*

## Average Hours and Earnings of Production and Nonsupervisory Workers

INDUSTRY BY NAICS	<i>Average Weekly Earnings(\$)</i>			<i>Average Weekly Hours</i>			<i>Average Hourly Earnings(\$)</i>		
	<i>May '04 Prelim.</i>	<i>Apr. '04 Revised</i>	<i>May '03 Revised</i>	<i>May '04 Prelim.</i>	<i>Apr. '04 Revised</i>	<i>May '03 Revised</i>	<i>May '04 Prelim.</i>	<i>Apr. '04 Revised</i>	<i>May '03 Revised</i>
<b>GOODS PRODUCING</b>	600.07	596.17	585.58	40.3	40.2	39.7	14.89	14.83	14.75
Natural Resources & Mining	466.10	464.39	458.62	33.8	33.7	33.5	13.79	13.78	13.69
Construction	638.28	636.32	604.07	41.1	41.0	39.2	15.53	15.52	15.41
Manufacturing	587.47	583.20	582.25	40.1	40.0	40.1	14.65	14.58	14.52
Durable Goods	608.19	606.69	604.26	40.6	40.5	40.5	14.98	14.98	14.92
Non-Durable Goods	527.09	517.03	516.75	38.7	38.7	39.0	13.62	13.36	13.25
<b>SERVICE PROVIDING</b>									
Wholesale Trade	644.04	641.89	626.85	35.8	35.7	35.0	17.99	17.98	17.91
Retail Trade	368.95	368.64	362.34	30.9	30.9	30.5	11.94	11.93	11.88
Health Care & Social Assist.	549.64	549.34	538.49	30.3	30.3	29.8	18.14	18.13	18.07
<b>BURLINGTON AREA</b>									
Manufacturing	574.15	574.15	571.91	37.6	37.6	37.7	15.27	15.27	15.17

*Vermont Department of*

# *Labor & Industry*



Drawer 20 • Montpelier, Vermont 05620-3401 • Tel.: (802) 828-2288 • FAX: (802) 828-2195

## *Commissioner's Message*

### **Workers' Compensation Reforms are a Good Start**

*By Michael Bertrand, Commissioner of Labor and Industry*

When Governor Douglas announced his plans to reform Vermont's workers' compensation system in 2003, his goals were straightforward: create a simple, fair and less costly system. It is an ambitious goal, and changes to our workers' compensation system are long overdue. Workers' compensation claims can be complicated, expensive, and unfortunately there is often one side or another that feels that they have been treated unfairly. Employers complain that insurance rates are too high, and injured workers complain that the system does not provide them with the care and services they need in an efficient manner.

***The reform package makes much-needed changes to the system.***

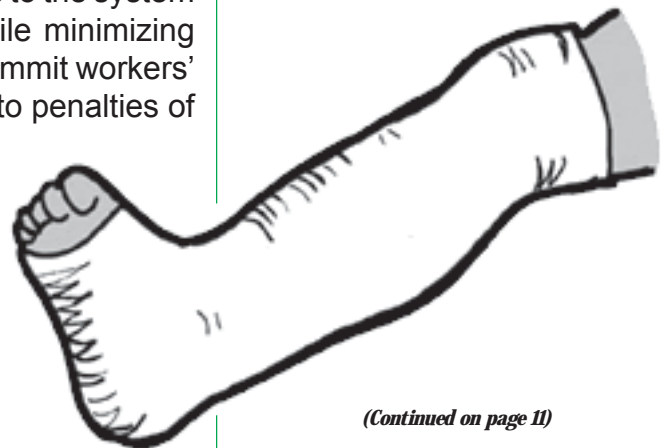
Help is on the way. This year, the Douglas administration worked with legislators to craft a compromise workers' compensation reform package

that begins the process of creating a sustainable system that we all can live with. This reform package is not the answer to all of our problems, but it is a good start and further reforms will follow.

The reform package makes much-needed changes to the system so that it continues to provide favorable benefits while minimizing inefficiencies and abuses. For instance, those who commit workers' compensation fraud will now find themselves subject to penalties of up to \$100,000 and three years in prison – a dramatic increase from current penalties. Vermont's statute of limitations for filing a claim will be cut in half, from 6 years down to 3 years, to encourage speedier filing of claims and make it easier for insurance companies to calculate reserves. Another provision ensures that nobody can earn more by being out on workers' compensation than they would if working.

The rising cost of medical care and other services will also be addressed. The reform package grants the Commissioner of Labor and Industry emergency rulemaking authority so that we can quickly place limits on those health care costs that are the most excessive. The Department has also begun the grueling process of revising the entire workers' compensation fee schedule, which has not been modified since 1998 and underpays physicians for some services and overpays for others.

Vocational rehabilitation costs will also be addressed. Vermont's costs in this area are much higher than surrounding states, due in large part to a mandate that requires all employees out of work for 90 days to be assessed by a



*(Continued on page 11)*

## ***Labor & Industry*** *(continued from page 10)*

vocational rehabilitation provider. The reform package repeals this wasteful mandate, and directs the Department to create a new system, which will provide vocational rehabilitation services only to those workers who need and desire those services.



The new law also gives the Commissioner the authority to set reimbursement rates for vocational rehabilitation providers, as is already done for attorneys and health care providers.

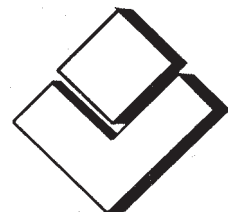
Some of the bill's provisions are industry specific. Vermont's farmers will benefit by a provision stating that they do not have to purchase a workers' compensation policy unless

their aggregate payroll is \$10,000 or more, which will make it easier for farmers to hire short-term seasonal help. Vermont's ski areas – who have been crushed by insurance rates several times higher than other ski states – will benefit by a provision that requires workers injured during a recreational activity to prove that the injury is indeed work-related.

Last but certainly not least, the bill makes several important changes to coverage requirements for sole proprietors by providing a "bright line" test to determine when someone can legally be considered an independent contractor. This will clear up a tremendous amount of confusion in this area. For instance, a general contractor who hires an uninsured sole proprietor will no longer be responsible for providing

coverage for that sole proprietor, provided there is a sufficient contract between the two parties. Another provision provides that a sole proprietor who opts to incorporate no longer needs to purchase a workers' compensation policy, as long as they certify that they have no employees.

These changes are a strong step in the right direction. When combined with administrative actions being taken by the Department, we are hopeful that this reform package will reduce overall system costs and begin the process of creating a simple, fair and less costly system. But this is just a beginning. True workers' compensation reform is more than one bill or one package of reforms. True reform will require an ongoing process of review and revision of our laws and rules. True reform will require all of our employers and employees to work together to create a "culture of safety" in all of Vermont's workplaces. True reform will, in other words, require much more hard work ... but the process of reform has begun.





P.O. Box 488 • Montpelier, VT 05601-0488  
Official Business • Penalty for Private Use \$300

---

Welcome to  
**VermontJobLink**  
from the Vermont Department of Employment & Training

[www.vermontjoblink.com](http://www.vermontjoblink.com)

*The Department of Employment & Training is an equal opportunity employer/program. Auxiliary aids and services are available upon request to individuals with disabilities. TDD: (802) 828-4203.*

---