

*Working Together
for Vermont*

<http://www.labor.vermont.gov>

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Commissioner's Message

Patricia Moulton Powden, Commissioner

HELLO!

I am pleased to introduce myself as the new Commissioner of the Vermont Department of Labor (VDOL). I am excited to be part of a team that provides many critical services to Vermont employers and workers.

While I am learning the many details about the department and our programs, its services are not new to me. I spent the first 22 years of my professional life in economic development on the local, regional and state levels. During that time I worked very closely with many aspects of VDOL. My economic development work also gave me the opportunity to work with a variety of employers around the state. I am very much looking forward to continuing that work as Commissioner of VDOL.

Most recently I served as Chair of the Vermont Environmental Board and its successor, the Vermont Natural Resources Board. That experience helped me to better understand the environmental regulation system in Vermont.

Having just started in August as commissioner, I am still learning the many ways we can assist employers with their workforce development and workplace regulatory issues. VDOL administers the Vermont Apprenticeship Program, the Workforce Education and Training Fund along with a variety of other services that assists Vermont employers with their workforce development needs. We can also help businesses meet the challenges of their workplace regulatory needs through programs such as Project Worksafe and the Volunteer Protection Program. These programs can help Vermont businesses avoid workplace injuries directly impacting employee wellness with a positive impact to the business's bottom line.

VDOL also provides a variety of services directly to Vermonters in areas such as job training and placement, workplace readiness and more. All services are aimed at providing satisfying employment at competitive wages.

We are facing many challenges at the department, including shrinking federal dollars to fund necessary programs and rising demands for services. In addition, Vermont is facing changing demographics over

(Continued on page 2)

The Edge

Seven Deadly Sins — (of start-up businesses)

Vermont is a state of small businesses. In fact, annual figures for 2004 show that 58 percent of Vermont establishments have 4 or fewer workers. Our state is blessed with a wide variety of creative entrepreneurs who continue to start new companies. And the latest statistics from the Small Business Administration (SBA) indicate that nationally "two-thirds of new employer establishments survive at least two years, and 44 percent survive for at least four years." This is a far cry from the belief that 50 percent of businesses fail in the first year and 95 percent within five years.

Despite those numbers, however, many new businesses do fail. Patricia Schaefer, in an article titled "*The Seven Pitfalls of Business Failure and How to Avoid Them*", has identified key factors that, if not avoided, could sink a new venture.

There are lots of **wrong reasons** for starting a business, some of which are: you want to make a lot of money, you think you will have more free time, you won't have to answer to anyone else. Business starts based on these premises will probably not flourish. However, if you have a passion for what you want to create, if you are both physically and mentally fit, if you have drive, determination and patience, thrive on independence, and are honest and can get along with different types of people, you

(Continued on page 2)

Commissioner's Message –

(continued from front page)

the next decade and longer that require creative strategies for meeting the workforce challenges of our employers. However, we have a qualified, dedicated team at VDOL prepared to help meet these challenges. We also have the benefit of being a small state that can respond well to the changing needs of business and implement creative solutions that could be harder to do in larger states.

My predecessor, Patricia MacDonald, did a great job with the recent reorganization of the department. This includes a great new web site with vast amounts of information for Vermonters and Vermont employers. Check us out at www.labor.vermont.gov. It is clear that Pat helped build a great team here at VDOL, and I hope to carry on that tradition.

I am looking forward to working with our many partners, including Vermont's employer community, to continue to identify their changing needs and develop strategies to meet those needs. A vibrant employer community creates jobs that qualified Vermonters will fill.



Contact VDOL

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The Edge - (continued from front page)

will have a much better chance at success.

Poor management is the number one reason for failure. A new owner who lacks experience in relevant business and management skills will need to seek help or face almost certain failure. Neglect can also be a downfall. An absent business owner may soon lose the business.

Many businesses have gone under because of **insufficient capital**. Underestimating operating costs, overestimating incoming revenues, and not taking into consideration the time it may take to get the business going have led to many closings.

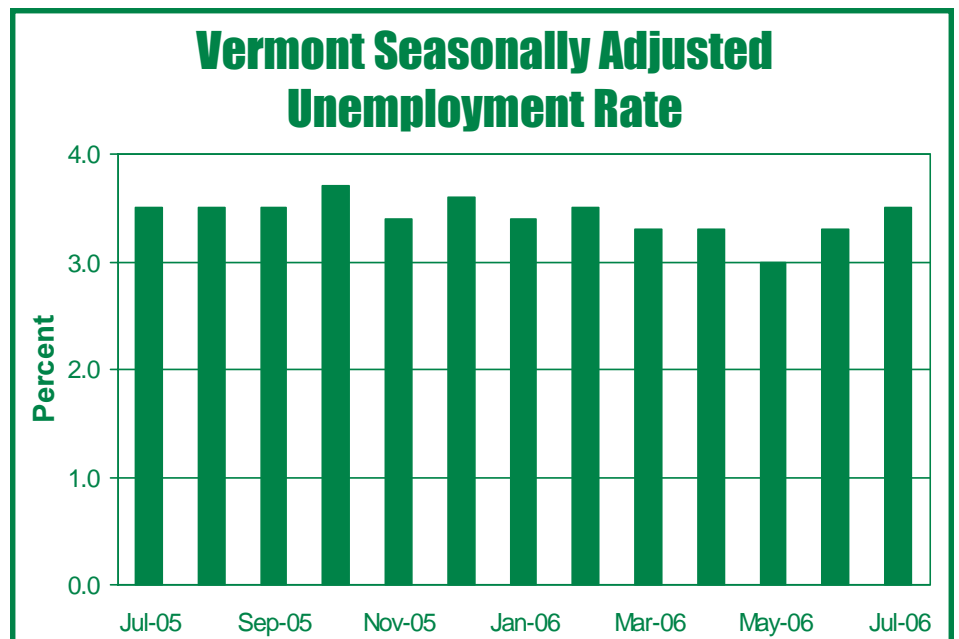
Location can make or break a business. When starting up a new business, you will need to identify where your customers are, traffic and parking issues, the location of competitors, and the community itself and the receptiveness to a new business at that particular site.

Intensive strategic **planning** is critical for all businesses to succeed. This requires a business plan with details that include: a description of the business, vision and goals, work force needs, equipment and supply needs, cash flow analysis, and sales and expense forecast. Additionally, it must include an analysis of the competition, marketing strategies, advertising activities, and how the company will manage growth.

Yet another stumbling block is **over expansion**. Slow and steady growth is key to business success. Finally, if a business is to succeed today, it needs a **website**. There is no way around it. According to the Census Bureau, about 70 percent of the population (in the US) uses the Internet, and e-commerce sales, which were at about \$70 billion in 2004, continue to rise. A business without a website will most assuredly be losing customers to one that has one.

Success of any new business ultimately depends on the business owner. Basic skills, an openness to new ideas, a willingness to learn whatever it takes to succeed, and a passion for the venture are what tip the scales towards success.

Information from: "The Seven Pitfalls of Business Failure and How to Avoid Them," Patricia Schaefer, Attard Communications, Inc., 2006.



Vermont Unemployment Estimates Statewide *(Seasonally Adjusted)*

	July '06	June '06	July '05	Changes from:	
				June '06	July '05
TOTAL LABOR FORCE¹	363,000	361,900	355,700	1,100	7,300
EMPLOYED	350,300	349,900	343,400	400	6,900
UNEMPLOYED	12,700	12,000	12,300	700	400
RATE (%)	3.5	3.3	3.5	0.2	0.0

¹Includes proprietors, professionals, and unpaid family workers.

Labor Market Areas By Residence *(Not Seasonally Adjusted)*

AREA	Total Labor Force	Number Employed	Number Unemployed	July-06 Rate (%)	June-06 Rate (%)	July-05 Rate (%)
Barre-Montpelier	30,100	29,000	1,050	3.6	3.5	3.5
Bennington	12,650	12,200	450	3.7	3.5	3.6
Bradford	5,200	5,050	150	3.1	3.2	2.9
Brattleboro	25,500	24,750	850	3.4	3.5	3.3
Burlington-South Burlington	117,050	113,450	3,600	3.1	3.2	3.0
Hartford	20,100	19,700	400	2.0	1.9	1.9
Manchester	12,750	12,350	350	2.9	3.1	2.9
Middlebury	18,000	17,450	550	3.1	3.1	3.1
Morristown-Stowe	21,250	20,600	650	3.0	3.0	2.9
Newport	14,500	13,950	550	3.8	3.8	3.7
Randolph	8,200	7,900	300	3.6	3.8	4.2
Rutland	29,850	28,700	1,100	3.8	4.0	3.6
Springfield	12,150	11,650	500	4.0	3.9	3.7
St. Johnsbury	15,400	14,850	500	3.3	3.4	3.2
Swanton-Enosburg	14,650	14,100	550	3.9	3.7	3.7
Warren-Waitsfield	4,450	4,350	100	2.5	2.7	2.6
Woodstock	3,850	3,750	100	2.4	2.5	2.5
Vermont Total	368,150	356,250	11,900	3.2	3.3	3.2

AREAS FROM ADJOINING STATES INCLUDING VERMONT TOWNS *(Not Seasonally Adjusted)*

Colebrook, NH-VT	3,750	3,600	150	3.3	3.5	3.7
Lebanon, NH-VT	47,000	45,950	1,050	2.3	2.3	2.2
Littleton, NH-VT	16,150	15,650	500	3.1	2.9	2.9
North Adams, MA-VT	17,300	16,500	800	4.6	4.9	4.8

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. July '06	Revised June '06	Revised July '05	Changes From:	
				June '06	July '05
Total - All Industries	308.0	307.6	305.2	0.4	2.8
Private Industries	255.0	254.9	252.5	0.1	2.5
Construction	17.8	17.5	17.1	0.3	0.7
Manufacturing	36.5	36.6	36.7	-0.1	-0.2
Trade, Transportation & Utilities	59.6	59.8	59.4	-0.2	0.2
Retail Trade *	40.8	40.8	40.6	0.0	0.2
Financial Activities	13.3	13.4	13.2	-0.1	0.1
Professional & Business Services	22.4	22.3	21.7	0.1	0.7
Education & Health Care	55.2	55.2	54.2	0.0	1.0
Private Ed. Services*	12.3	12.4	12.4	-0.1	-0.1
Health Care & Social Assistance*	42.7	42.5	41.9	0.2	0.8
Leisure & Hospitality	33.5	33.3	33.4	0.2	0.1
Other Services	9.9	10.0	9.9	-0.1	0.0
Total Government	53.0	52.7	52.7	0.3	0.3

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

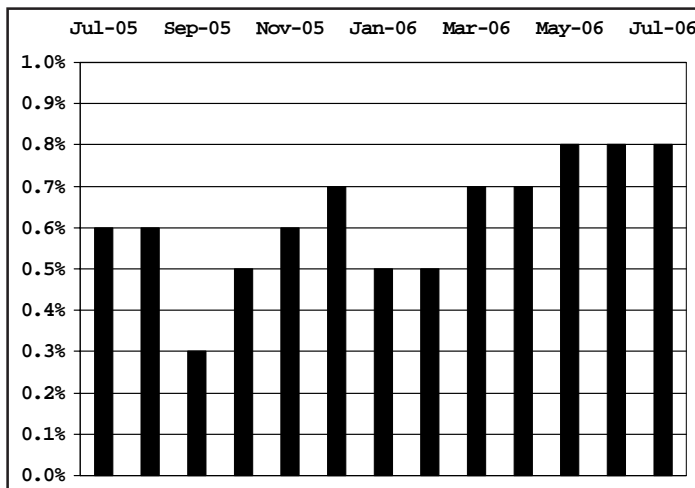
Note: Total - All Industries estimate is seasonally adjusted independently.

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

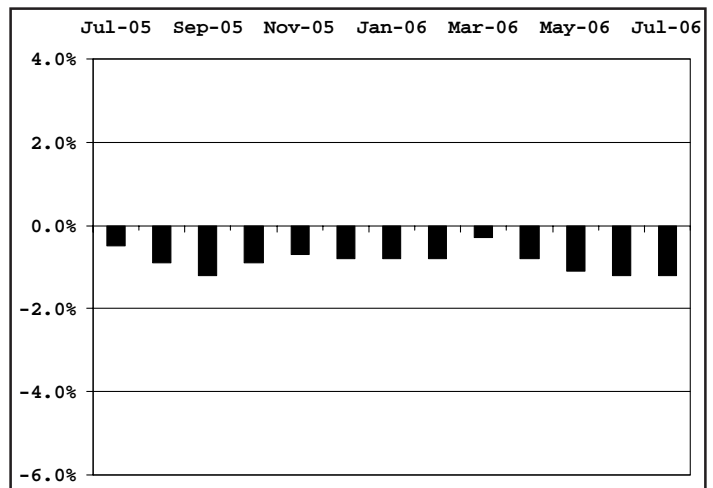
Produced by the Vermont Department of Labor in cooperation with the U.S Bureau of Labor Statistics, unless otherwise noted.

Vermont Annual Job Growth Not Seasonally Adjusted Data

All Industries



Manufacturing



Nonfarm Employment In Vermont *(Not Seasonally Adjusted)*

Compiled by the Vermont Department of Labor in cooperation with the Bureau of Labor Statistics, U.S. Department of Labor

INDUSTRY BY NAICS	Prelim. July '06	Revised June '06	Revised July '05	Changes From:	
				June '06	July '05
TOTAL NONFARM	302,950	309,550	300,450	-6,600	2,500
TOTAL PRIVATE	258,950	257,200	257,000	1,750	1,950
GOODS PRODUCING	57,050	56,500	57,000	550	50
MANUFACTURING	36,600	36,800	37,050	-200	-450
Durable Goods	26,350	26,550	26,500	-200	-150
Computer & Electrical Equipment Mfg.	9,300	9,350	9,150	-50	150
Fabricated Metal Products Mfg.	3,100	3,100	2,950	0	150
Machinery Mfg.	3,050	3,100	3,000	-50	50
Transportation Equipment Mfg.	2,400	2,400	2,450	0	-50
Furniture & Related Product Mfg.	1,950	1,950	2,150	0	-200
Non-Durable Goods	10,250	10,250	10,550	0	-300
Food Mfg.	3,750	3,700	3,900	50	-150
CONSTRUCTION	19,600	18,850	19,050	750	550
NATURAL RESOURCES & MINING	850	850	900	0	-50
SERVICE-PROVIDING	245,900	253,050	243,450	-7,150	2,450
TRADE, TRANSPORTATION AND UTILITIES	59,750	60,200	59,300	-450	450
Wholesale Trade	10,200	10,150	10,150	50	50
Retail Trade	40,950	40,950	40,750	0	200
Food & Beverage Stores	9,700	9,700	9,600	0	100
General Merchandise Store	2,750	2,700	2,900	50	-150
Transportation, Warehousing and Utilities	8,600	9,100	8,400	-500	200
Utilities	1,750	1,750	1,700	0	50
Transportation & Warehousing	6,850	7,350	6,700	-500	150
INFORMATION	6,350	6,400	6,250	-50	100
FINANCIAL ACTIVITIES	13,450	13,450	13,450	0	0
Finance & Insurance	10,050	10,100	10,050	-50	0
Real Estate, Rental & Leasing	3,400	3,350	3,400	50	0
PROFESSIONAL AND BUSINESS SERVICES	22,850	22,800	22,350	50	500
Professional, Scientific and Technical	13,050	13,100	12,750	-50	300
Administrative, Support and Waste	9,550	9,400	9,300	150	250
EDUCATIONAL AND HEALTH SERVICES	54,300	54,450	53,600	-150	700
Educational Services	11,300	11,650	11,350	-350	-50
College, Universities and Professional	6,050	5,950	6,200	100	-150
Health Care and Social Assistance	43,000	42,800	42,250	200	750
Ambulatory Health Care Services	15,850	15,800	15,950	50	-100
Hospitals	10,900	10,900	10,600	0	300
Nursing and Residential Care Facilities	6,850	6,750	6,850	100	0
LEISURE AND HOSPITALITY	35,000	33,150	34,900	1,850	100
Arts, Entertainment and Recreation	4,750	4,400	4,750	350	0
Accommodation and Food Services	30,250	28,750	30,150	1,500	100
Accommodations	10,850	9,700	10,750	1,150	100
Hotel & Motels	8,850	8,200	8,750	650	100
Food Services and Drinking Places	19,400	19,050	19,400	350	0
OTHER SERVICES	10,200	10,250	10,150	-50	50
GOVERNMENT	44,000	52,350	43,450	-8,350	550
Federal Government	6,050	6,000	6,150	50	-100
State Government Education	6,350	6,550	6,250	-200	100
Local Government Education	13,900	22,500	13,800	-8,600	100
Other State Government	9,850	9,800	9,600	50	250
Other Local Government	7,850	7,500	7,650	350	200



Workforce Development Division Program and Services

The Workforce Development Division delivers a comprehensive range of employment and training services through a network of six regional and six branch offices around the state. As the result of a continuing reduction in federal funds the division is in the final stages of development of a new service delivery model which is designed to reduce the amount of money that is spent maintaining the twelve sites.

The new model entails downsizing of the square footage we now occupy in the six branch offices by relocating to smaller facilities with much reduced rent. Savings in rent and related operating costs are projected to be approximately six hundred thousand dollars per year. This will allow us to maintain our service delivery capacity at current levels. The plan also calls for the development of low or no cost access points in locations where we do not now have a physical presence, on a limited but scheduled basis.

The following programs and services have a direct role in workforce development:

Workforce Investment Act (WIA)

The WIA is totally federally funded, and consists of three separate elements.

- Dislocated Worker Program offers individuals, who have lost their jobs due to a major layoff or business closure, the resources necessary to find a good paying replacement jobs.
- Adult Program primarily serves individuals who need to address significant issues before they can

successfully enter or re-enter the workforce.

- Youth Programs have a primary focus on serving out-of-school youth, but have the option of providing services for a limited number of in-school youth.

Services provided under WIA are tailored to the needs of the individual, and may include work experience, classroom training, on-the-job training, and support services necessary to be successful in a job.

Employment Services

The Wagner-Peyser Act provides the basic federal funding for delivery of employment services by VDOL field staff. Activities include:

- Services to job seekers that include career guidance, resume preparation, local labor market information, and referral to suitable employment
- Services to employers that include screening and referral of suitable job candidates, active assistance in recruitment, and employer consultations around specific human resource or workforce needs

The Jobs for Veterans Act funds a limited number of Local Veterans' Employment Representative and Disabled Veteran Outreach Program staff.

Trade Adjustment Assistance(TAA)

TAA services are available to individuals who have lost their jobs as a result of foreign competition or a shift in production to certain countries. To become eligible to receive TAA a group of three or more employees, the union representing them, the employer or an interested third party, such as the Vermont Department of Labor, must submit a petition to United States Department of Labor.

If the USDOL determines that job loss is the result of an increase in importation of foreign goods or a shift in production to a foreign country, the workers will be certified eligible for services under TAA. TAA services include:

- Out of area job search allowance
- Relocation allowance
- On-the-job training
- Classroom training

Workforce Development Division Program and Services - continued

Individuals who enroll in classroom training may be eligible for Trade Readjustment Assistance when they exhaust their Unemployment Compensation. TRA can extend unemployment benefits for up to a maximum of 104 weeks.

Workforce Education and Training Fund (WETF)

The WETF, funded through an allocation from the State General Fund, awards grants to Vermont training providers and employers to support occupational training to enhance the quality of the Vermont workforce and increase the number of highly skilled workers.

- Since July 1, 2004, WETF has awarded 28 grants totaling \$936,414.
- More than 200 employers have benefited, and close to 800 workers have been hired or upgraded as a direct result of the above projects.
- Training has occurred in a wide range of occupations including construction, information technology, agriculture, finance, health care, law enforcement, and advanced manufacturing.

Notable Success:

One particularly successful initiative was the establishment in 2005 of the CNC Machinist Training Program. This competency-based registered apprenticeship model was developed with extensive input from employers, intentionally designed to be moved around the state to meet the training needs of businesses throughout Vermont. HITEC is the training provider and a funding partnership between WETF and Vermont Training Program (VTP) provided the funds to develop the program which has proven to be very effective, and is now in its third session.

Vermont Registered Apprenticeship Program

VDOL administers all registered apprenticeship programs in Vermont. The Registered Apprenticeship Program receives no federal funding, but is supported by an allocation from the state general fund. VDOL also collects tuition from sponsoring employers to help defray the cost of delivering the required related instruction. VDOL approves new programs, registers apprentices, approves the required education component, monitors OJT hours, ensures that required incremental wage increases are received on schedule, and maintains participant records.

- Currently more than 850 apprentices are registered in 35 occupations, and close to 400 employers are sponsoring apprenticeship programs.
- Vermont was the first state to develop a program for Tramway Maintenance Technicians, and one of the first to create programs in Information Technology, Child Care, and competency-based CNC Machining.
- Vermont's largest programs are in the trades of Plumbing and Electrical, and our programs are recognized as the best and most direct route to licensing in those trades.
- Apprentices are employed full time throughout their training, and incur no debt for their classroom instruction

Notable Success:

127 Apprentices completed training during the 2006 program year, all 127 are employed full time, and average annual wages exceeded \$42,000 for the most recent four quarters on record. Apprentices are employed throughout the period of apprenticeship, and incur no financial cost for the instruction component of their training.

VDOL Announces Grants

\$375,000 in grants will be distributed through the Workforce Education and Training Fund, which works to improve the quality of Vermont's work force. Applications will be accepted until the funds are exhausted.

The grants, which are given in categories above and below \$10,000, give Vermont businesses the opportunity to address critical need for skilled workers, in addition to providing Vermonters job security and increased earning potential.

Information, application material and details: www.labor.vermont.gov
Additional help: Contact Lori Camp at
802-828-4301 or lcamp@labor.state.vt.us



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Announcements

Workers' Compensation Boot Camp & Advanced Boot Camp

10/4 1:00 – 4:00pm Williston; 10/10 Rutland, 9:00am ; 10/18/06, 9:00am – noon St. Johnsbury; 12/6 Williston 9-noon, **Advanced Boot Camp**. Please register on line @ www.vtsbdc.org (training tab).

Confined Space Entry (CSE) Training

October 4, 8:00 – noon, October, Williston, Blair Park, room 215

This course is intended for personnel involved in confined space entry, supervisory staff, and ERT team members. The course will provide individuals a detailed overview of 29 CFR 1910.146 Permit Required Confined Spaces standard.. VT DEC Wastewater and Water Supply Contact Hours Credit are available. Please register on line @ www.vtsbdc.org (training tab).

Vermont Safety & Health Council – SAFETY EXPO: Facility Fire Safety

October 24, 8:45am – 4:00 pm, Capitol Plaza Hotel, Montpelier

Topics include: Building & Life Safety Code; Fire Prevention- What You Can Do; Home Fire Safety, and more. To register or for more information e-mail landrock@verizon.net

Equal Opportunity is the Law - The State of Vermont is an Equal Opportunity/Affirmative Action Employer. Applications from women, individuals with disabilities, and people from diverse cultural backgrounds are encouraged. Auxiliary aids and services are available upon request to individuals with disabilities. 711 (TTY/Relay Service) or 802-828-4203 TDD (Vermont Department of Labor).