

*Working Together
for Vermont*

<http://www.labor.vermont.gov>
P.O. Box 488 • Montpelier, VT 05601-0488

Commissioner's Message

Patricia Moulton Powden, Commissioner

What Retirement?

According to the 2000 US census, in the year 2000, Vermont ranked 26th in the nation for the percentage of our population that is over the age of 65. By 2010, we will rank 11th, and by 2030, 8th as our demographics shift. This represents an increase of the over 65 cohort by over 124 percent. Because of these increases, and the number of people over 50, Vermont will soon be the 2nd oldest state in the nation, with Maine number one. As alarming as this sounds with regard to the labor force, many experts are putting a positive spin on the new demographics. In fact, some say experience is America's only growing natural resource!

Americans are living longer. In 1900, the average lifespan was 47; now it is 78. We are healthier and more active than our predecessors. 60 has indeed become the new 40. Additionally, few people expect or want to not work in their 'retirement years.' According to a survey by Civic Ventures, 4 out of 5 people over 50 say they will work in retirement, whether full-time or part-time, whether for money or enjoyment. Older Americans no longer see retirement as an endless vacation, but increasingly as an active, engaged phase of life that includes work and public service. Although there are certainly economic reasons for seniors to continue working past age 65, many say the reason they choose to work is a desire to stay mentally active, physically active, and to remain productive. Slightly more than half of pre-retirees surveyed by AARP indicated that their continuing to work was based on a need for money.

"As baby boomers leave midlife careers and continue working into their 60s, we are experiencing the biggest transformation of the American workforce since the woman's movement," says Marc Freedman, CEO and President of Civic Ventures, a think tank and program incubator helping society achieve the greatest return on experience. "One of the most interesting and significant developments from this transformation is the emergence of social innovation and entrepreneurship from people over 60."

The Rutland Region Workforce Investment Board recently held their annual meeting. Representing Civic Ventures was Carol Greenfield, founder and president of "Discovering What's Next, Revitalizing Retirement." She shared information about Civic Ventures programs for discovering meaning in the second half of life, or the third age, as life from 50 on is sometimes named. One of the programs, called The Next Chapter, is an initiative designed to work with local communities

The Edge

Making the Most of an Opportunity

Like a winning game of chess, success in small business starts with skillful and decisive opening moves. Although initial mistakes may not prove fatal, it takes skill, discipline and hard work to regain the advantage. To increase your chances for success, take the time up front to fully explore your resources and make the most of them.

One of your key resources is the U.S. Small Business Administration (SBA). If you are looking to start a small business or even to expand an existing business, take advantage of the many products and services provided by the SBA. If you need financing, business counseling, federal procurement opportunities or help obtaining the certifications necessary to compete in today's marketplace, the SBA is here to help. Located in Montpelier, the Vermont District Office of the U.S. Small Business Administration is ready to assist you in a variety of ways.

For example, your attempt to borrow start-up funds may be easier than you think – with an SBA loan guarantee. But, as any successful entrepreneur will attest, one of your first steps should be the development of a business plan. A business plan will help you think through important issues you may not have considered. It will be a valuable tool as you set out to raise money for your business, and it can provide milestones to gauge

Commissioner's Message -

(continued from front page)

creating systems to help older adults with life planning, finding meaningful engagement through work or service, retooling, obtaining training or education for new careers, and connecting seniors with people of all ages.

The focus of Rutland's WIB is to address the programs created by the legislature in response to the Next Generation report (which focuses on keeping our young talent in Vermont) and introduce the possibilities of tapping into the mature workforce - The Next Chapter. Joining Carol was Greg Voorheis from the Vermont Department of Labor, who is a member of the committee brought together by Lt. Governor Brian Dubie to study recruitment and retention of the mature worker, among other issues. He also is administering the Next Generation grants for the department.

The numbers do not lie: Vermont and the country are aging fast. However, the baby boomers are the largest, healthiest, best educated, and most diverse population of Americans ever to move through and beyond their fifties. They are an extraordinary resource of social and human capital who can enrich our labor force for years to come.



Contact VDOL

If your address has changed or to discontinue your subscription, please email: sally.redpath@state.vt.us

The Edge - (continued from front page)

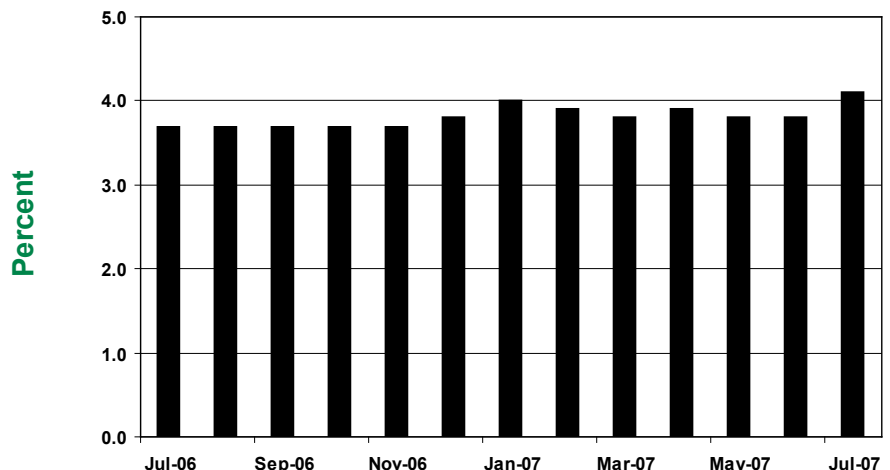
your success. If you need assistance designing your plan, the SBA can steer you to a helpful business counselor, regardless of your location. The Vermont District Office website, www.sba.gov/vt, also provides web links to counseling services and information about upcoming workshops and trainings.

In addition, our Vermont Small Business Resource Guide provides an overview of everything you'll need to know about setting up, marketing and managing the revenue of your business, including information on local, state and federal regulations, counseling and training and contact information for various organizations throughout the state. To request a copy of the Small Business Resource Guide or to learn more about our services, call the SBA's Vermont District Office at 802-828-4422.

You may also want to take advantage of our recently launched virtual loan clinics. The Vermont District Office is offering a monthly loan clinic for potential or existing business owners. Our goal is to help people understand what types of information they will need in order to prepare an effective business loan. The SBA Loan Clinic takes place via conference call on the first Tuesday of every month from either 9:00 a.m.-10:00 a.m. or 12:00 noon-1:00 p.m. You can connect with the call by dialing, toll-free: 1-866-740-1260. As a virtual attendee, you may also view the presentation online by logging on to www.readytalk.com, using access code 3015001, and completing a brief registration form. We also offer several on-line, self-paced business classes on such topics as "Identifying Your Target Market," "Creating a Strategic Plan," and "Accounting 101."

Whether you need an SBA-guaranteed loan or business-planning assistance, SBA stands ready to help you. For more than 53 years, the SBA has been a key resource for small businesses in Vermont, and we're the only Federal Agency created to help small businesses start, run and grow. If you'd like more information, look us up at www.sba.gov/vt or call us at 802-828-4422.

Vermont Seasonally Adjusted Unemployment Rate



Vermont Unemployment Estimates Statewide *(Seasonally Adjusted)*

	July '07	June '07	July '06	Changes from:	
				June '07	July '06
TOTAL LABOR FORCE¹	359,700	360,900	361,000	-1,200	-1,300
EMPLOYED	345,100	347,100	347,800	-2,000	-2,700
UNEMPLOYED	14,700	13,800	13,200	900	1,500
RATE (%)	4.1	3.8	3.7	0.3	0.4

¹Includes proprietors, professionals, and unpaid family workers.

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

AREA	Total Labor Force	Number Employed	Number Unemployed	July-07 Rate (%)	June-07 Rate (%)	July-06 Rate (%)
Barre-Montpelier	29,100	27,950	1,150	3.9	4.0	3.8
Bennington	13,350	12,800	550	4.0	3.7	3.8
Bradford	5,350	5,150	200	3.5	3.7	3.6
Brattleboro	24,500	23,600	1,000	4.1	4.0	3.5
Burlington-South Burlington	115,400	111,400	4,000	3.5	3.5	3.2
Hartford	20,050	19,550	500	2.4	2.3	2.1
Manchester	12,200	11,750	450	3.7	3.9	3.0
Middlebury	19,650	18,950	700	3.6	3.4	3.0
Morristown-Stowe	19,850	19,100	750	3.8	3.9	3.2
Newport	13,900	13,200	700	5.1	5.0	4.2
Randolph	9,250	8,900	350	3.9	4.1	3.5
Rutland	29,200	27,850	1,300	4.5	4.8	4.1
Springfield	12,250	11,700	550	4.4	4.5	4.4
St. Johnsbury	15,400	14,800	650	4.1	3.8	3.5
Swanton-Enosburg	14,550	13,900	650	4.5	4.1	4.2
Warren-Waitsfield	4,050	3,900	150	3.2	3.6	2.8
Woodstock	4,000	3,850	100	2.6	2.8	2.4
Vermont Total	364,700	350,850	13,850	3.8	3.8	3.4

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

Colebrook, NH-VT	4,100	3,950	150	3.8	4.5	3.3
Lebanon, NH-VT	47,350	46,100	1,250	2.6	2.8	2.3
Littleton, NH-VT	16,250	15,650	600	3.6	3.7	3.1
North Adams, MA-VT	17,600	16,550	1,100	6.2	6.0	5.3

Monthly estimates are preliminary and subject to revision. Detail may not add to totals due to rounding.

Vermont Seasonally Adjusted Nonfarm Employment in Thousands

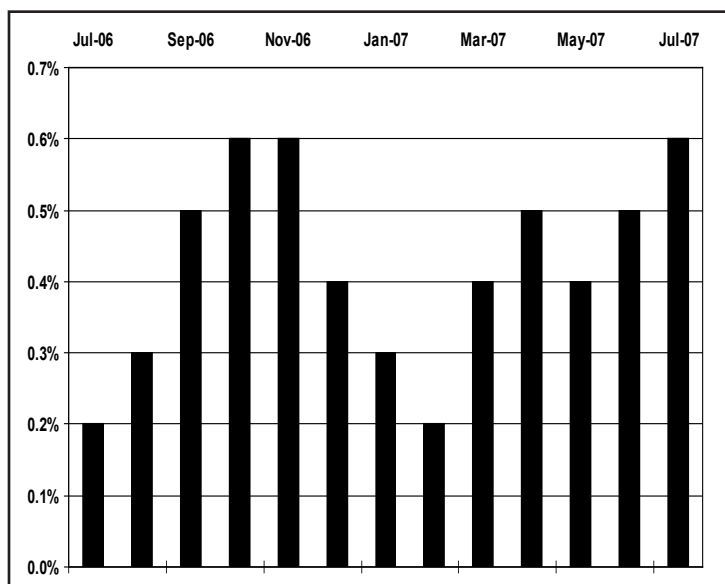
BY NAICS	Prelim.	Revised	Revised	Changes From:	
	July '07	June '07	July '06	June '07	July '06
Total - All Industries	308.1	310.6	306.1	-2.5	2.0
Private Industries	254.8	256.8	252.9	-2.0	1.9
Construction	17.3	17.5	17.3	-0.2	0.0
Manufacturing	35.8	35.9	36.1	-0.1	-0.3
Durable Goods*	26.3	26.2	26.2	0.1	0.1
Non-Durable Goods*	9.5	9.7	9.9	-0.2	-0.4
Trade, Transportation & Utilities	59.6	60.1	59.3	-0.5	0.3
Retail Trade	40.5	40.7	40.4	-0.2	0.1
Trans., Warehousing & Utilities*	8.6	8.9	8.6	-0.3	0.0
Financial Activities	13.3	13.4	13.2	-0.1	0.1
Professional & Business Services	22.4	22.5	22.2	-0.1	0.2
Professional., Scientific & Technical*	13.4	13.4	13.3	0.0	0.1
Administrative Support & Waste*	8.8	8.8	8.7	0.0	0.1
Education & Health Services	56.5	56.2	55.5	0.3	1.0
Private Ed. Services	13.2	12.9	12.8	0.3	0.4
Health Care & Social Assistance	43.3	43.3	42.7	0.0	0.6
Leisure & Hospitality	33.0	34.4	32.8	-1.4	0.2
Arts, Entertainment & Recreation*	4.0	4.1	3.9	-0.1	0.1
Accommodation & Food Services*	29.0	30.3	28.9	-1.3	0.1
Other Services	9.9	9.9	9.9	0.0	0.0
Total Government	53.3	53.8	53.2	-0.5	0.1
State Government*	18.2	18.1	17.8	0.1	0.4
Local Government*	29.0	30.0	29.3	-1.0	-0.3

Note: Retail, Private Ed. Services and Health Care & Social Assistance are now estimated using the official BLS methodology. 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.
* New series for 2007.

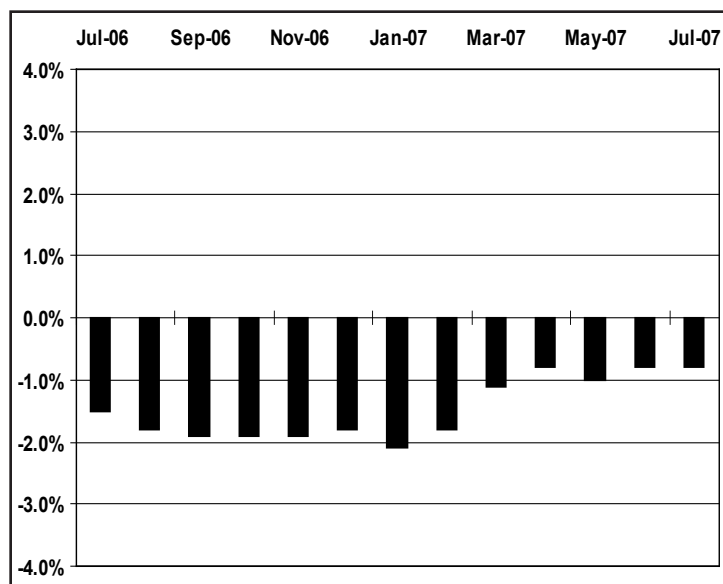
Vermont Annual Job Growth

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 '07	Revised June '07	Revised July '06	Changes From:	
				June '07	July '07
TOTAL NONFARM	303,050	312,350	301,350	-9,300	1,700
TOTAL PRIVATE	259,150	259,200	257,700	-50	1,450
GOODS PRODUCING	56,450	56,050	56,600	400	-150
MANUFACTURING	36,150	36,200	36,450	-50	-300
Durable Goods	26,450	26,400	26,400	50	50
Computer & Electrical Equipment Mfg.	9,300	9,300	9,350	0	-50
Fabricated Metal Products Mfg.	3,050	3,050	2,900	0	150
Non-Durable Goods	9,700	9,800	10,050	-100	-350
Food Mfg.	3,800	3,750	3,800	50	0
CONSTRUCTION	19,300	18,850	19,200	450	100
NATURAL RESOURCES & MINING	1,000	1,000	950	0	50
SERVICE-PROVIDING	246,600	256,300	244,750	-9,700	1,850
TRADE, TRANSPORTATION AND UTILITIES	59,700	60,300	59,250	-600	450
Wholesale Trade	10,550	10,500	10,300	50	250
Retail Trade	40,750	40,900	40,650	-150	100
Food & Beverage Stores	9,950	9,950	9,900	0	50
General Merchandise Store	2,800	2,800	2,800	0	0
Transportation, Warehousing and Utilities	8,400	8,900	8,300	-500	100
Utilities	1,750	1,750	1,750	0	0
Transportation & Warehousing	6,650	7,150	6,550	-500	100
INFORMATION	6,050	6,100	6,050	-50	0
FINANCIAL ACTIVITIES	13,500	13,550	13,400	-50	100
Finance & Insurance	10,000	10,050	10,000	-50	0
Real Estate, Rental & Leasing	3,500	3,500	3,400	0	100
PROFESSIONAL AND BUSINESS SERVICES	22,900	23,050	22,750	-150	150
Professional, Scientific and Technical	13,500	13,500	13,300	0	200
Administrative, Support and Waste	9,150	9,250	9,150	-100	0
EDUCATIONAL AND HEALTH SERVICES	55,650	55,500	54,950	150	700
Educational Services	12,050	12,050	11,950	0	100
College, Universities and Professional	6,600	6,400	6,550	200	50
Health Care and Social Assistance	43,600	43,450	43,000	150	600
Ambulatory Health Care Services	15,700	15,600	15,650	100	50
Hospitals	11,500	11,400	11,200	100	300
Nursing and Residential Care Facilities	6,900	6,850	6,850	50	50
LEISURE AND HOSPITALITY	34,800	34,600	34,550	200	250
Arts, Entertainment and Recreation	5,000	4,750	4,950	250	50
Accommodation and Food Services	29,800	29,850	29,600	-50	200
Accommodations	10,500	10,300	10,400	200	100
Hotel & Motels	8,850	8,950	8,750	-100	100
Food Services and Drinking Places	19,300	19,550	19,200	-250	100
OTHER SERVICES	10,100	10,050	10,150	50	-50
GOVERNMENT	43,900	53,150	43,650	-9,250	250
Federal Government	6,000	6,000	6,000	0	0
State Government Education	6,150	6,600	6,200	-450	-50
Local Government Education	13,900	23,350	13,900	-9,450	0
Other State Government	10,350	10,000	10,000	350	350
Other Local Government	7,500	7,200	7,550	300	-50

NOTE: DATA COMPILED IN COOPERATION WITH THE U.S. BUREAU OF LABOR STATISTICS. ESTIMATES ARE PRELIMINARY AND SUBJECT TO REVISION. SEE ANNUAL SUMMARY FOR DETAILS.



News from the Unemployment Insurance & Wages Division...

By Valerie Rickert, UI & Wages Director

The past several months have been extremely busy ones for our division. We opened a new Internet application, which allowed a pool of employers to file their first quarter 2007 UI C-101 reports on-line. Initial feedback was positive, with employers really liking the ease of navigating the system, the retention of names and social security numbers, excess wages being calculated automatically, and the ability to download wage files. Enrollment and use of the application more than doubled for second quarter 2007 UI C-101 reports. If you have not checked out this application, I would encourage you to do so. Not only will the application allow you to file your quarterly report and pay funds owed the Vermont Department of Labor (VDOL), either by check or self-selected EFT date, it also has an application for calculating Health Care Contributions. Enrollment and future filing can be easily accomplished by visiting our website at www.labor.vermont.gov, under the "UI Quarterly Tax System" link provided in our "Business" section.

In the future, we plan to expand the Internet UI Quarterly Tax System up to employers who have 250 or more employees, along with the ability for intermediaries to file reports on-line on behalf of their clients. If you have other suggested changes for this application, please forward them to me at valerie.rickert@state.vt.us.

Speaking of the web, in the near future we will be opening an application for new employers to register with VDOL, along with other state agencies currently involved with the project. One of the main objectives of this application was to transmit 'like' information, such as name and address of the business, telephone number, and federal ID number to other agencies. Along with the new employer registration page, we are actively building other applications. Watch for news that will announce the on-line ability to:

For Employers

- File Wage and Separation requests
- Change previously established return to work dates for individuals currently filing for UI
- Review information on your account, such as current balance or reports due the department
- Report change in business status
- Enroll and participate in the Short Term Compensation* (STC) program

* Further information about the STC program is provided on our website, in the Businesses/Unemployment Tax & Benefit Information section.

For Unemployed Workers

- Obtain information on UI claim, i.e. benefit balance and date last payment was issued
- Submit address change
- Change tax withholding status.

The division has also been extremely busy with the new reporting of Health Care Contributions (HCC). We are pleased to report many employers did in fact understand the elements of the HCC reporting. However, it is evident there is still some confusion surrounding this reporting. Common problem areas include:

- Use of outdated C-101 report – (Correct report has reporting lines 16, 17, and 18)
- Negative or fractioned "Adjusted" FTEs - (Should always round down or report zero in the case of negative FTE count)
- Receipt of Declarations and Worksheets – (Documents should be retained by the EMPLOYER with other UI reports for THREE years)
- Improperly classified "part-time" or "seasonal" employees – (Refer to HC-3 form for the Health Care definition for these employee classifications, which is likely NOT the same as the employing unit's definition of a part-time or seasonal employee.)

(continued on page 7)

Understanding this new reporting has resulted in some trepidation. Therefore, we are allowing employers who filed timely 2/07 reports the opportunity to correct the 2/07 report without penalty or interest being imposed, provided such correction is postmarked on or before October 15, 2007. Given VDOL is providing this ONE-TIME opportunity, it might be beneficial to review the reporting instruction to validate it was done properly. Complete details for this reporting are provided in brochure titled "A Guide for Health Care Reporting" (form HC-3), which can be downloaded from our "Forms and Publication" section on our website. Additionally, there is a wealth of information provided on our Health Care Reporting webpage at <http://labor.vermont.gov/Default.aspx?tabid=1164>. To correct the 2/07 report, simply make a photocopy of the original report, annotate copy "corrected/current date", annotate corrected data in an ink color that is easily detectable, and mail it to the address indicated on the form.

Our Claims Center is also working on changes related to reviewing continued eligibility of those currently receiving UI benefits. One of the substantial changes in this area will be our renewed effort to verify work searches. Initial calls made to verify work search activity found that many employers do not keep track of who has applied for work. The absence of this information hampers our ability to verify work search efforts, which is extremely critical in evaluating continued eligibility. We have also added a question to the weekly unemployment claim that will require the unemployed worker to report whether or not they have looked for work as directed. This will allow us to recover improperly paid benefits in the future, provided we can validate such non-compliance. If you have the ability to keep track of those who have applied for work, it could prove to be very beneficial in helping to maintain the integrity of UI payments.

Lastly, I want to take this opportunity to again report the change in the definition of a "service or tipped" employee, as well as the change in the basic wage rate for a "service or tipped" employee. With the passage of Act 78 stemming from the 2007 Legislative session, the threshold of the tipped amount which makes an employee a "service or tipped" employee, increased. As of July 1, 2007, a "service or tipped employee" means all those, in hotels, motels, tourist places, and restaurants who customarily and regularly receive more than \$120.00 a month in tips for direct and personal service. This means if an employee does not regularly receive more than **\$120.00** a month in tips, they can no longer be paid the basic wage rate, but must instead be paid an hourly wage equal to or exceeding the minimum wage rate, currently \$7.53 per hour.

"Service or tipped" employees who regularly receive more than \$120.00 per month, can be paid at a rate lower than the minimum wage of \$7.53 per hour, but under no circumstance can they be paid lower than the basic wage rate of \$3.65 per hour. Employers are allowed to take a "tip credit" of up to \$3.88 per hour toward meeting the minimum wage of \$7.53. However, if a service or tipped employee does not earn enough tips in a workweek to make up the full tip credit of \$3.88 per hour, the employer is required to make up the difference.

The second change in S.27 concerns the basic wage rate for "service or tipped employees". Effective January 1, 2008 and each subsequent January thereafter, the basic wage rate of \$3.65 will increase by the same percentage amount as the minimum wage rate, using the Consumer Price Index (CPI), not seasonally adjusted, city average, or 5%, whichever is smaller. The Department of Labor will publish the increased amounts by October 1 of each year.

As a result of both of these changes, the Vermont Department of Labor will provide new minimum wage posters upon request at no charge. The new posters will reflect the changes in the "service or tipped" employee definition. In January of 2008, the poster will again be updated to reflect any changes in the basic and minimum wage rates. Title 21, Chapter 5, V.S.A 393 requires employers to keep a copy of the mandatory posters in a conspicuous place where employees are employed. All mandatory posters may be downloaded free from our website at www.labor.vermont.gov or by calling the 802-828-0267.

Here's an example for a "service or tipped" employee:

	Total Wages
Employee works 10 hours at \$3.65 (basic wage rate) per hour	\$36.50
Employee earns tips of \$10.00	<u>10.00</u>
Total paid thus far to employee	\$46.50
Minimum wage is \$7.53 for 10 hours	\$75.30
Employer would subtract out amount already paid	<u>(46.50)</u>
Employer would be required to pay	\$28.80 **

****This ensures the employee has received the minimum wage amount for ALL hours worked.**



VERMONT

DEPARTMENT OF LABOR

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**Vermont
Small Business
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Partnership in Safety

Confined Space Entry (CSE) Training - October 3, 2007, 8:00 a.m. - noon
Vermont Tech. Enterprise Center, Randolph

For all above seminars please register on line @ www.vtsbdc.org (training tab).

Two New Websites for Young Entrepreneurs

The U.S. Small Business Administration (SBA)'s Web site for Teens is at www.sba.gov/teens/. This Web site provides teenagers and other young entrepreneurs with resources, tips, and Web links on starting up a small business. This includes providing tips on finding funding, partnerships, dealing with legal issues such as patents, labor laws, and day-to-day operational matters.

Another Web-based resource is Hot Shot Business, which can be accessed at: <http://spapps.go.com/hsb4/landing/>. It is a collaborative venture involving Disney Online and the Ewing Marion Kauffman Foundation. Hot Shot Business is an Internet stimulation game aimed at students, ages 9–12, who are interested in learning what it takes to be an entrepreneur.

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).