



*Working Together
for Vermont*

Vermont Labor Market

March 2009

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

P.O. Box 488 • Montpelier, VT 05601-0488

Commissioner's Message *Patricia Moulton Powden*

Federal Stimulus and the Department of Labor

The American Recovery & Reinvestment Act, better known as the stimulus bill, has a number of provisions for this department that impact Vermont businesses directly or indirectly. There is a great deal of interest in the bill so I thought it might be helpful to briefly go over those features this month. The bill has provisions covering both the unemployment insurance program and workforce development programs.

Unemployment Insurance

The main purpose of unemployment insurance is providing income to workers who are out of work through no fault of their own. Insurance payments enable unemployed workers to buy necessary goods and services to support themselves. This purchasing power supports the local economy and enables unemployed workers to remain in their home towns versus having to relocate to find employment elsewhere. This retains a trained workforce in the state.

During economic downturns it takes longer for many workers to find new jobs. Congress' response to last summer was to create the Emergency Unemployment Compensation Program that offers up to 33 additional weeks of unemployment compensation to workers who exhaust the entitlement to state benefits. Originally, the emergency program was scheduled to end on March 31, 2009. The stimulus package extends the program through 2009.

The second benefit to workers is Federal Additional Compensation. Now through the end of the year anyone receiving any unemployment compensation will receive an additional \$25 each week. Federal law requires that everyone gets the \$25 additional benefit without regard to other factors.

There are also features designed to assist states to deal with declining trust funds. The federal government will pay the full cost of the federal-state extended benefit (EB) program for one year. Vermont's EB program provides another 13 weeks of benefits when the state hits a three month average unemployment rate of 6.5%. Normally, the state and federal trust funds split the costs. In addition, the federal government will waive one year of interest on any advances needed when the state unemployment trust funds are unable to cover costs. Vermont and most other states expect to need advances at sometime in 2010.

Another significant provision of the stimulus bill is the feature allowing states to transfer funds from the federal unemployment account to the states' unemployment trust fund account. Vermont may qualify for \$13.9 million. To get the funds, states need to have a number of features in their unemployment law. Vermont law already contains most of the features promoted by Congress so it qualifies for 1/3 of the \$13.9 million. To obtain the remaining \$9.3 million Vermont must expand unemployment benefits by adding one more of the following three options. Vermont already allows part time workers to qualify for unemployment compensation; therefore we need to select one of three other options:

- Providing an additional 26 weeks of eligibility to workers in approved training.
- Allowing individuals who quit work due to compelling family reasons to qualify for unemployment compensation.
- Paying dependents allowances of \$15 per dependent up to a maximum of \$50 a week.

Governor Douglas is asking the Legislature to amend the unemployment compensation law to provide additional weeks of benefits to individuals in approved training. This additional benefit is most closely related to the original intent of unemployment insurance which is exclusively an employer paid program. If the legislature makes this change by September 2011 Vermont will gain the additional money for the trust fund.

Employment & Training Services

Congress has expanded funding for the Workforce Investment Act. There are three major programs under this act. There is a program designed to assist economically disadvantaged workers, one to assist individuals affected by large lay offs, dislocated workers, and one that assists disadvantaged youth. The additional fund will allow the department to nearly double the 500 youth and 500 adults it currently serves on an annual basis.

The adult and dislocated worker program provides services that include reemployment assistance and training. Federal law requires the services to be provided through our career resource center so VDOL staff can assist with job searches, review employment plans and ensure any proposed training will lead to a job. VDOL staff can also work with employers to support everything single employee training and group training for new eligible workers.

The youth program consists of a number of services designed to help 14 to 24 year olds stay in and succeed in school or find employment if they are out of school and unemployed. It also includes a summer employment opportunity for youth. Currently, VDOL is seeking proposals for the summer youth opportunity. The RFP can be found on our website at www.labor.vermont.gov.

The Edge

How Unemployment is Calculated in Vermont

In these challenging times, Vermont's employment picture is being watched very carefully. The latest unemployment rate has become as common a subject of conversation as the latest sports scores, though the outcome of the "game" is a lot more serious. Because so much focus is being placed on tracking unemployment in Vermont, it is worth the effort to explain how these numbers are estimated and exactly what they mean.

First – some definitions. I want to make a distinction between the concepts of *employment vs. jobs*. The Vermont Department of Labor operates programs to measure both on a regular basis. We measure jobs in the state directly from businesses. Each month we produce job estimates from a program known as the Current Employment Survey or CES, (I know... I just used the word employment when it really should be jobs). In addition, each quarter businesses covered under Unemployment Insurance law are required to report to the Vermont Department of Labor the number of jobs they have and the wages paid to these jobs. The key features of our jobs measurement are that we make no distinction between full and part time jobs, a person can hold more than one job, and we typically measure only jobs covered by unemployment insurance.

When we refer to programs that measure employment or unemployment we are talking about people, i.e. information we collect from households, not businesses. Vermont's employment, unemployment, labor force and unemployment rate statistics are collected under a Federal – State cooperative program known as LAUS or Local Area Unemployment Statistics. The foundation for these estimates is the Current Population Survey, a survey of households conducted by the USDOL Bureau of Labor Statistics and The US Census Bureau. Although many things are asked in the Current Population Survey, at its essence households are asked if the working age people in the household are a) working, b) not working and actively seeking work or c) not working and not seeking work. A person who is currently working is *employed*. A person not working, but able to work and seeking work is *unemployed*. A person not working and not seeking work is not counted in the labor force. The state's total labor force is counted as those employed plus the unemployed. Vermont's *unemployment rate* is calculated as the number of unemployed divided by the total labor force. Unlike our jobs surveys the LAUS program does count self employed workers.



Unfortunately, the Current Population Survey sample size is too small in any individual state to produce consistently reliable employment statistics. This is especially true in small states like Vermont. To address this problem at the state level, a *time – series* statistical estimation procedure is used to improve the Current Population Survey based estimates. In this procedure we add current and historical information about the state's unemployment claims, CES job counts and population growth to a model which is looking to identify historical trends, cycles and seasonal influences and separate random "noise" caused by the small sample sizes. The resulting estimates of employment, unemployment and unemployment rates are what we publish every month – usually about three weeks following the end of the month.

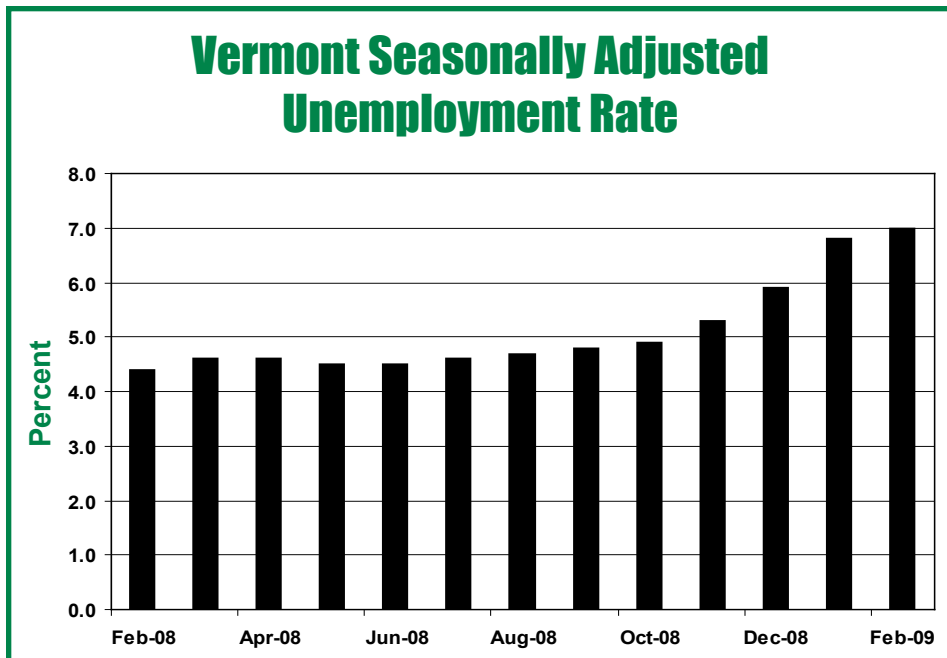
(Continued below)

How Unemployment is Calculated in Vermont - (continued)

We publish both unadjusted and seasonally adjusted unemployment statistics each month. Unadjusted employment statistics give us our best estimate of how many people are working or unemployed in any particular month. However, because of regular business patterns or weather, some of the change in employment or unemployment levels reflect these regular patterns and not the actual state of the economy. For example, we would expect construction employment to decline in Vermont's winter, but that does not necessarily mean that the economy is faltering. We produce a *seasonally adjusted* employment series to remove regular and expected patterns in the data so that any remaining changes are due to real economic reasons.

It's important to understand that because our estimates are statistics, there is always an associated level of error or confidence interval. Typically a monthly movement of +/- seven-tenths of a point is required in the unemployment rate for it to be considered statistically significant. That kind of movement was a rare event until the last few months of the current economic downturn. Because of this it is always wise to look at several months of unemployment statistics to get a clear picture of the direction of labor markets.

If you have any questions about how employment statistics in the state are calculated or what they mean, feel to contact the Economic and Labor Market Information section and Vermont Department of Labor by email or phone at labor-lmi@state.vt.us or 800-924-4443



**Visit our website
for more
information and
additional
opportunities.**

<http://labor.vermont.gov>

Contact VDOL

To discontinue your
subscription, please email:
sally.redpath@state.vt.us

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). Interpretative services are available for limited English proficiency customers. For more information please visit: <http://www.dol.gov/oasam/programs/crc/ISpeakCards.pdf>

Vermont Unemployment Estimates Statewide *(Seasonally Adjusted)*

	Feb. '09	Jan. '09	Feb. '08	Changes from:	
				Jan. '09	Feb. '08
TOTAL LABOR FORCE¹	357,900	357,100	354,700	800	3,200
EMPLOYED	332,700	332,900	339,100	-200	-6,400
UNEMPLOYED	25,200	24,200	15,600	1,000	9,600
RATE (%)	7.0	6.8	4.4	0.2	2.6

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

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

AREA	Total Labor Force	Number Employed	Number Unemployed	Feb-09 Rate (%)	Jan-09 Rate (%)	Feb-08 Rate (%)
Barre-Montpelier	28,700	26,200	2,450	8.6	9.0	5.8
Bennington	13,400	12,100	1,300	9.6	9.5	4.8
Bradford	4,900	4,400	500	10.2	9.9	6.4
Brattleboro	24,250	22,650	1,600	6.6	6.7	4.2
Burlington-South Burlington	112,000	104,600	7,400	6.6	6.5	4.0
Hartford	19,600	18,700	950	4.7	4.5	3.1
Manchester	12,600	11,600	1,000	7.9	7.9	4.5
Middlebury	17,950	16,450	1,550	8.5	8.2	5.0
Morristown-Stowe	20,800	19,000	1,800	8.7	8.7	5.7
Newport	13,900	12,200	1,700	12.3	11.5	8.6
Randolph	8,500	7,750	750	8.9	8.4	5.6
Rutland	26,550	24,250	2,300	8.7	8.5	5.1
Springfield	13,450	12,500	900	6.9	6.8	4.1
St. Johnsbury	15,100	13,750	1,350	8.8	8.8	5.5
Swanton-Enosburg	14,250	12,850	1,400	9.7	9.7	7.1
Warren-Waitsfield	4,300	4,100	200	4.5	4.5	2.8
Woodstock	3,450	3,300	200	5.2	5.1	3.2
Vermont Total	355,950	328,450	27,500	7.7	7.6	4.8

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

Colebrook, NH-VT	4,000	3,500	500	12.7	5.9	5.2
Lebanon, NH-VT	46,600	44,750	1,850	4.0	3.8	2.8
Littleton, NH-VT	14,450	13,400	1,050	7.2	6.5	4.1
North Adams, MA-VT	17,600	15,900	1,700	9.8	9.6	6.0

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:		Otm	Oty
	Feb. '09	Jan. '09	Feb. '08	Jan. '09	Feb. '08	Change %	Change %
Total - All Industries	296.2	297.2	308.9	-1.0	-12.7	-0.3	-4.1
Private Industries	242.3	242.5	254.9	-0.2	-12.6	-0.1	-4.9
Construction	12.5	13.1	16.1	-0.6	-3.6	-4.6	-22.4
Manufacturing	31.9	32.6	35.6	-0.7	-3.7	-2.1	-10.4
Durable Goods	22.7	23.1	26.0	-0.4	-3.3	-1.7	-12.7
Non-Durable Goods	9.2	9.5	9.6	-0.3	-0.4	-3.2	-4.2
Trade, Transportation & Utilities	55.9	56.1	59.6	-0.2	-3.7	-0.4	-6.2
Retail Trade	37.5	37.9	40.7	-0.4	-3.2	-1.1	-7.9
Trans., Warehousing & Utilities	8.4	8.5	8.7	-0.1	-0.3	-1.2	-3.4
Financial Activities	12.9	12.7	12.9	0.2	0.0	1.6	0.0
Professional & Business Services	21.2	21.4	22.7	-0.2	-1.5	-0.9	-6.6
Professional, Scientific & Technical	12.9	13.0	13.6	-0.1	-0.7	-0.8	-5.1
Administrative Support & Waste	7.8	8.0	8.8	-0.2	-1.0	-2.5	-11.4
Education & Health Services	59.3	59.2	58.1	0.1	1.2	0.2	2.1
Private Ed. Services	13.3	13.7	13.2	-0.4	0.1	-2.9	0.8
Health Care & Social Assistance	46.0	45.5	44.9	0.5	1.1	1.1	2.4
Leisure & Hospitality	32.3	31.4	33.1	0.9	-0.8	2.9	-2.4
Arts, Entertainment & Recreation	3.9	3.9	4.0	0.0	-0.1	0.0	-2.5
Accommodation & Food Services	28.4	27.5	29.1	0.9	-0.7	3.3	-2.4
Other Services	9.5	9.5	9.9	0.0	-0.4	0.0	-4.0
Total Government	53.9	54.7	54.0	-0.8	-0.1	-1.5	-0.2
State Government	17.7	18.3	18.2	-0.6	-0.5	-3.3	-2.7
Local Government	30.0	30.3	29.6	-0.3	0.4	-1.0	1.4
Burlington - S. Burlington MSA							
Total - All Industries	109.3	110.5	114.5	-1.2	-5.2	-1.1	-4.5

Statewide Total - All Industries estimate is seasonally adjusted independently.

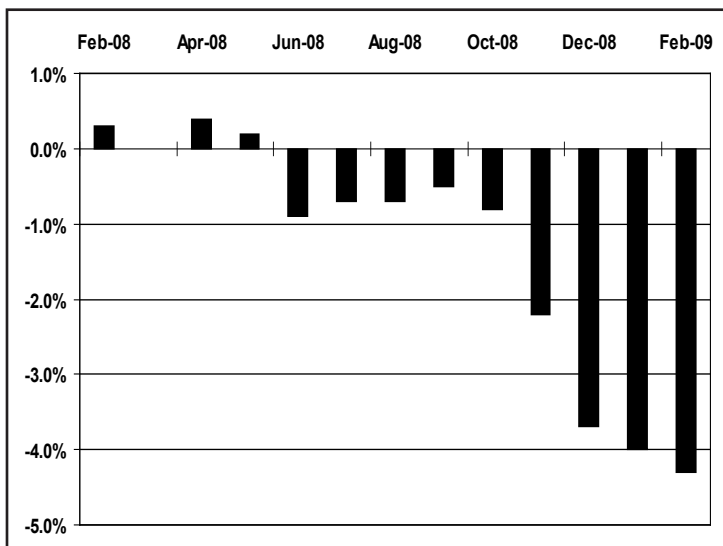
Note: Beginning January 2009 Vermont will publish a seasonally adjusted Total-All Industries estimate for the Burlington - S. Burlington MSA. Seasonal factors available from VDOL/LMI on request.

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

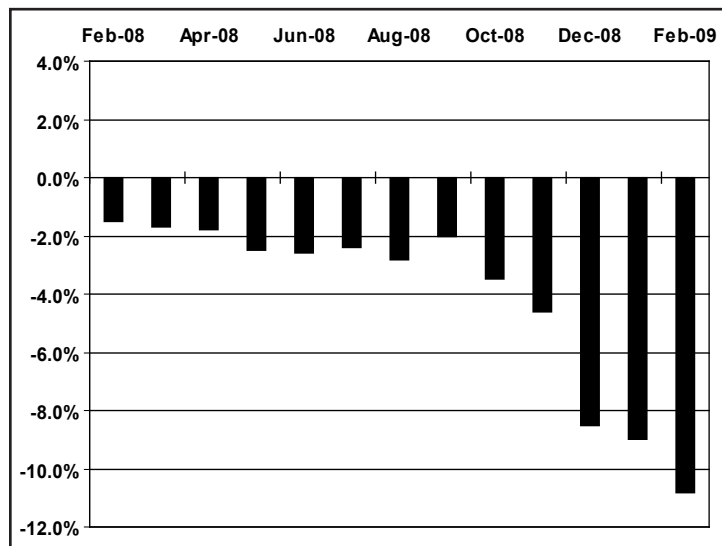
Vermont Annual Job Growth

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.	Revised	Revised	Changes From:	
	Feb. '09	Jan. '09	Feb. '08	Jan. '09	Feb. '08
TOTAL NONFARM	295,100	295,000	308,250	100	-13,150
TOTAL PRIVATE	238,650	239,550	251,950	-900	-13,300
GOODS PRODUCING	42,650	44,000	49,500	-1,350	-6,850
MANUFACTURING	31,450	32,000	35,250	-550	-3,800
Durable Goods	22,450	22,850	25,800	-400	-3,350
Computer & Electrical Equipment Mfg.	8,800	9,000	9,300	-200	-500
Fabricated Metal Products Mfg.	2,500	2,500	2,550	0	-50
Non-Durable Goods	9,000	9,150	9,450	-150	-450
Food Mfg.	3,800	3,850	3,850	-50	-50
CONSTRUCTION	10,450	11,250	13,450	-800	-3,000
MINING & LOGGING	750	750	800	0	-50
SERVICE-PROVIDING	252,450	251,000	258,750	1,450	-6,300
TRADE, TRANSPORTATION AND UTILITIES	54,750	55,700	58,700	-950	-3,950
Wholesale Trade	9,850	9,800	10,250	50	-400
Retail Trade	36,550	37,400	39,850	-850	-3,300
Food & Beverage Stores	9,850	10,000	9,950	-150	-100
General Merchandise Store	2,700	2,750	2,800	-50	-100
Transportation, Warehousing and Utilities	8,350	8,500	8,600	-150	-250
Utilities	1,700	1,750	1,700	-50	0
Transportation & Warehousing	6,650	6,750	6,900	-100	-250
INFORMATION	5,500	5,550	5,800	-50	-300
FINANCIAL ACTIVITIES	12,700	12,600	12,900	100	-200
Finance & Insurance	9,450	9,350	9,650	100	-200
Real Estate, Rental & Leasing	3,250	3,250	3,250	0	0
PROFESSIONAL AND BUSINESS SERVICES	20,150	20,450	21,900	-300	-1,750
Professional, Scientific and Technical	12,800	12,750	13,600	50	-800
Administrative, Support and Waste	7,050	7,400	8,050	-350	-1,000
EDUCATIONAL AND HEALTH SERVICES	59,400	58,550	58,200	850	1,200
Educational Services	13,800	13,250	13,650	550	150
College, Universities and Professional	7,300	6,900	7,250	400	50
Health Care and Social Assistance	45,600	45,300	44,550	300	1,050
Ambulatory Health Care Services	16,000	15,900	15,800	100	200
Hospitals	12,500	12,350	11,950	150	550
Nursing and Residential Care Facilities	6,850	6,850	6,700	0	150
LEISURE AND HOSPITALITY	34,250	33,400	35,300	850	-1,050
Arts, Entertainment and Recreation	3,450	3,450	3,600	0	-150
Accommodation and Food Services	30,800	29,950	31,700	850	-900
Accommodations	13,900	13,200	13,650	700	250
Hotel & Motels	13,000	12,300	12,800	700	200
Food Services and Drinking Places	16,900	16,750	18,050	150	-1,150
OTHER SERVICES	9,250	9,300	9,650	-50	-400
GOVERNMENT	56,450	55,450	56,300	1,000	150
Federal Government	6,100	6,200	5,950	-100	150
State Government Education	9,150	8,100	9,350	1,050	-200
Local Government Education	24,850	24,750	24,500	100	350
Other State Government	9,350	9,400	9,600	-50	-250
Other Local Government	7,000	7,000	6,900	0	100

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.

Beginning with the January '09 estimates CES has implemented a change to the Super Sector previously titled "Natural Resources & Mining" to "Mining & Logging". It's merely a change of title to better reflect the true makeup of the Super Sector in CES.

VERMONT Winter/Spring 2009 Safety Seminars

Forklift Operator and Train-the-Trainer Safety Seminar

April 2, 2009. 8:30 a.m. – 3:30 p.m. Hosted by Rutland Plywood in Rutland, Vermont. ***Did you know that VOSHA requires that all Fork Truck operators be trained by a “qualified person?”*** An overview of 29 CFR 1910.178 VOSHA standards will be followed with a discussion on load balance, characteristics and truck components, rules of the road, fueling, and fundamentals of operation, with a hands on forklift safety inspection. This course is designed as both an operator and train-the-trainer seminar for manufacturing, construction and retail. Valuable handouts and lunch included. \$100. Please register on-line @ www.vtsbdc.org (training tab, search for safety topics).

Ergonomics on the Shop Floor - Lifting, Reaching, Pulling & Pushing and More

April 9th, 8:30 a.m. - 12:30 p.m. Green Mountain Technical & Career Center, Hyde Park, Vermont. ***How to identify the ergonomic challenges of general industry work tasks using the Job Safety Analysis (JSA) tool.*** Evaluate and recommend solutions to improve the work conditions of each task in order to promote the health and safety of the employees. The JSA tool uses observation, interviewing, and research methods to determine the hazards associated with each task. Selected solutions range from engineering controls to administrative procedures to training and wellbeing programs, with each solution designed to target each identified hazard. P. Singley, Instructor. \$45, includes light breakfast. To register, contact Patti Coultas, Coordinator of Adult Ed. & Online Learning, Green Mountain Technical & Career Center, Hyde Park, Vermont. Email or call: pcoultas@gmtcc.net, 802-851-1574.

OSHA Training Institute Courses in Vermont

Construction Standards, May 4-7, Burlington; Trainer Course, Construction, May 18-21, Burlington; Update for Construction Trainers, Mar. 2-4, Burlington. More information at 1-800-449-6742; www.keene.edu/conted/osha.cfm, Diana Malachowski.

7th Annual Vermont Workplace Safety Conference & Governor's Awards

May 13, 2009, 9:00 a.m. – 3:45 p.m, DoubleTree Hotel and Conference Center (former Clarion), 1117 Williston Rd., Burlington. An Excellent professional development opportunity for HR and Safety Staff. Topics include: How to Ensure Sub-Contractors Work Safely at Your Business; Material Handling Ergonomics Tool Demonstration; Supervisors as Safety Leaders Panel; Healthy Employees/ Safer Employees: Wellness, Incentives and ROI; and the Governors' Safety Awards. Sponsored by: the Partnership in Safety (Project WorkSAFE, Green Mtn. Coffee Roasters, VT Small Business Development Center and the Vermont Safety and Health Council). Platinum Sponsors: MEMIC; VELCO, Silver: Wilner-Green Assoc. Registration \$75, \$65 before 4/15/09 at: www.vtsbdc.org/Safety.cfm To Register at no cost for the 12:30 p.m. Governor's Awards only please email: pcrawford@vtc.edu

The Governor's Outstanding Workplace Safety Award

Governor James Douglas is scheduled, on Wednesday, May 13 to recognize Vermont businesses that have made a major commitment to providing safe work places for their employees. The Governor's Award for Outstanding Workplace Safety will be presented at the annual Workplace Safety Conference at the Double Tree Conference Center in South Burlington. The award was designed five years ago to recognize companies with good safety and health records in their work place. Typically such companies have lower costs of doing business and increased production benefiting both the company and its workers.

Last year 17 Vermont firms were nominated (either by themselves or recommended by others) for this prestigious award. The recipient of the large business category was Cersosimo Lumber of Brattleboro, while the recipient in the small business category was A.C. Hathorne Company of Williston. More than a dozen certificates of participation including special awards were also presented. The small business category includes companies with one to 50 employees. Large companies are those with more than 50 workers.

The criteria for consideration involves an experience modification (MOD Rate) of less than .90, no workplace fatalities or catastrophic injuries for the past three years, an active Safety Committee that includes both management and workers, and a written safety and health policy.

In presenting last year's awards, Governor Douglas pointed to the benefits of a safe workplace saying that workplace safety, whether on the production line, in an office, or on the road, is a key component to the success of any Vermont business. The governor also said that a strong safety and health commitment can be the difference between profitability, and economic difficulty.

Vermont's Commissioner of Labor, Patricia Moulton Powden said, "A company with a safety culture controls, and reduces direct costs such as workers' compensation, and indirect costs such as lost productivity and damaged equipment. The result," she said, "is a more competitive profitable business."

The Awards ceremony is part of the annual Vermont Workplace Safety Conference, sponsored by the Vermont Small Business Development Center. Visit their website (www.vsbdc.org) to register for both the conference and the award ceremony.

Attitude Determines Behavior

Many people just don't understand that their attitude can create unforeseen consequences that affect other people. Take your job, for instance. There is no question that workers, or bosses for that matter, with an "attitude" can actually reduce the production of their colleagues. At the same time, workers and/or bosses who have a positive attitude can greatly increase the desire of their colleagues to accomplish levels well beyond the established norm.

And so it is with workplace safety. Business leaders with a lazier faire attitude when it comes to workplace safety can actually put their employees at risk whether the workplace is the traditional office or plant complex or out on the highway delivering products and services. Leadership devoid of an interest in safety is not leadership. It is management out of control.

Last year the cost of workplace traffic crashes in Vermont was pegged at \$32.5 million of which insurance companies paid out \$16 million. Vermont businesses underwrote the premiums for that insurance coverage. Vermont businesses were also assessed a share of the taxpayers' cost of \$3.2 million to pay for first responders, fire and police and highway maintenance crews. And, there was an estimated cost of \$4.9 million to uninvolved third parties including the Vermont business community. These crashes made it impossible for others to keep appointments, deliver products and services, and attend to their own business needs.

The following chart shows the cost of workplace traffic crashes over the past three years. These are actual costs that need to be included in the business plan of any Vermont business. And they are caused by an 'attitude.'

Charting the Cost

Year / Total Cost	Insurance Cost (50%)	Victims Cost (25%)	3rd Party Cost (15%)	Taxpayer Cost (10%)
2006 / \$25.0 Million	\$12.5 Million	\$ 6.3 Million	\$ 3.7 Million	\$ 2.5 Million
2007 / \$27.8 Million	\$13.9 Million	\$ 7.0 Million	\$ 4.0 Million	\$ 2.7 Million
2008 / \$32.5 Million	\$16.0 Million	\$ 8.0 Million	\$ 4.9 Million	\$ 3.2 Million
Total / \$85.2 Million	\$42.4 Million	\$21.3 Million	\$12.65 Million	\$ 8.4 Million