

Trends in the Vermont Economy as We Emerge(?) From the Pandemic

white + burke

VERMONT
DEVELOPMENT
CONFERENCE

The Economic & Labor Market Information Division

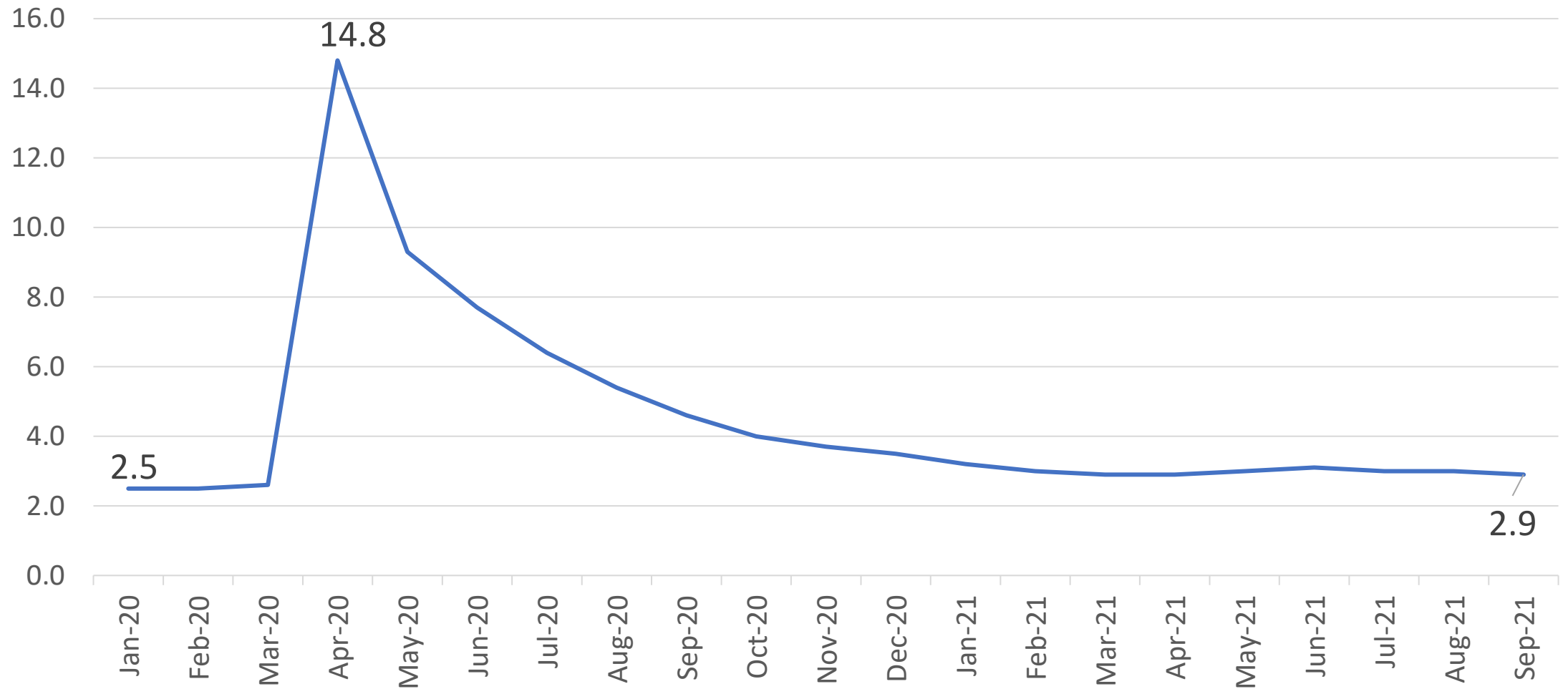
- Housed in the Vermont Department of Labor
- State partner to the Federal Government
- 100% federally funded
 - Thank you to the USDOL Employment & Training Administration!

Purpose: to produce, explain and disseminate economic data for the benefit of the State of Vermont, educational institutes, employers, students, job-seekers, researchers, and the general public.

Where We've Come From

Vermont Unemployment Rate

(Seasonally Adjusted)



Everything is Fine!

Fine fine fine...

I hope you enjoyed my TED Talk.

Where We Stand

The Labor Market in context

Alexa, define “Labor Shortage”

Unemployed = Actively seeking and available for work

August 2019

- Unemployed: 8,000
- Openings: 16,000
- Separations: 12,000

1 unemployed person for every 2 job openings

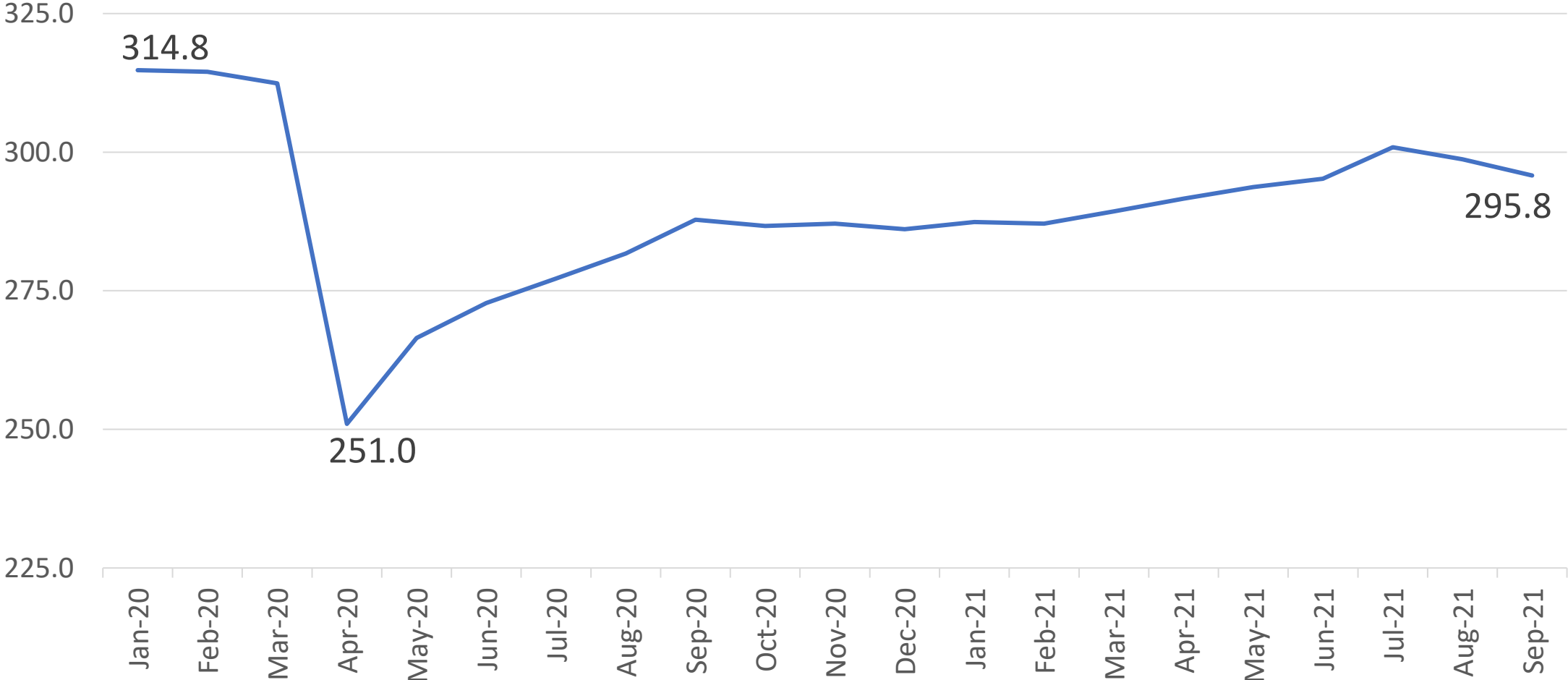
August 2021

Unemployed: 9,000
Openings: 23,000
Separations: 12,000

1 unemployed person for every 2.6 job openings

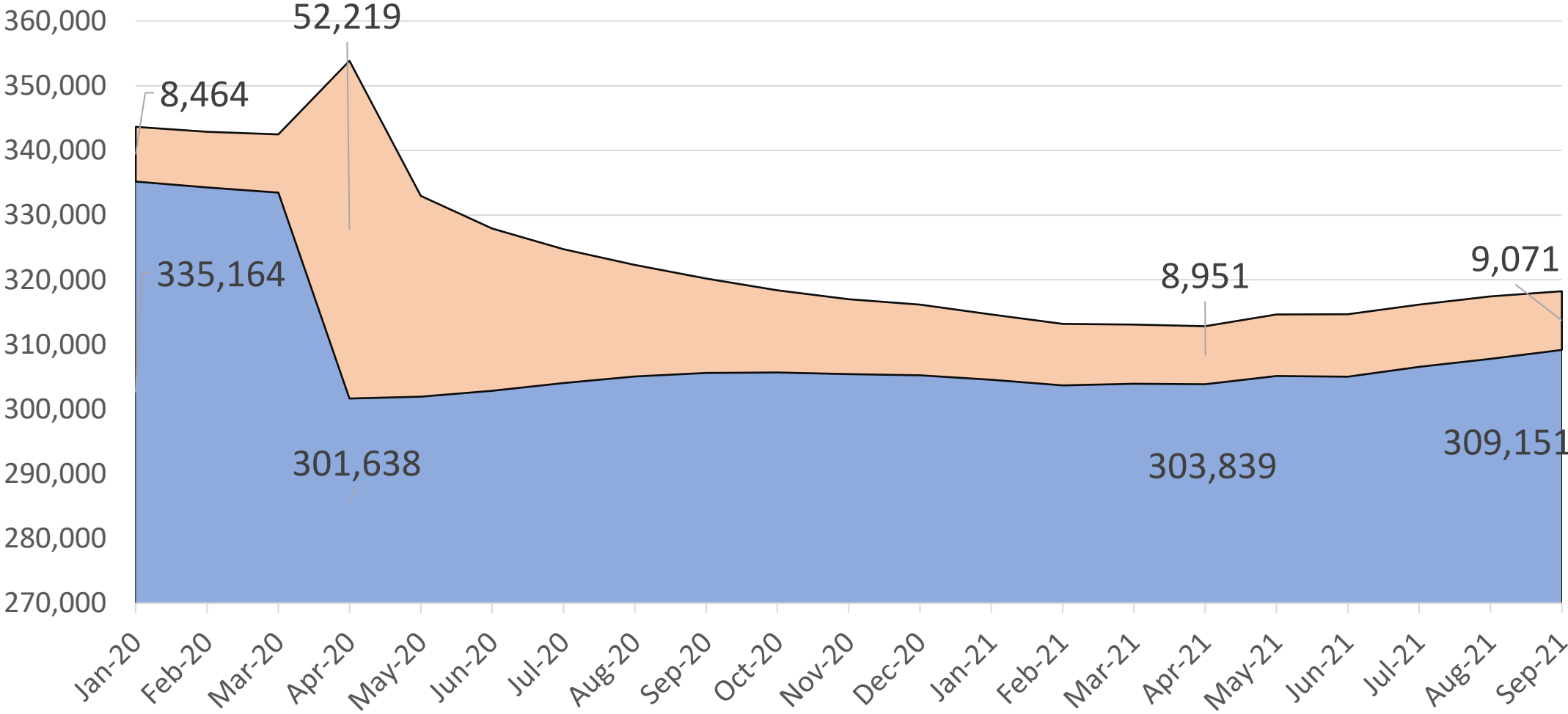
Total Nonfarm Payroll Employment

(1,000's, Seasonally Adjusted)



Vermont Labor Force

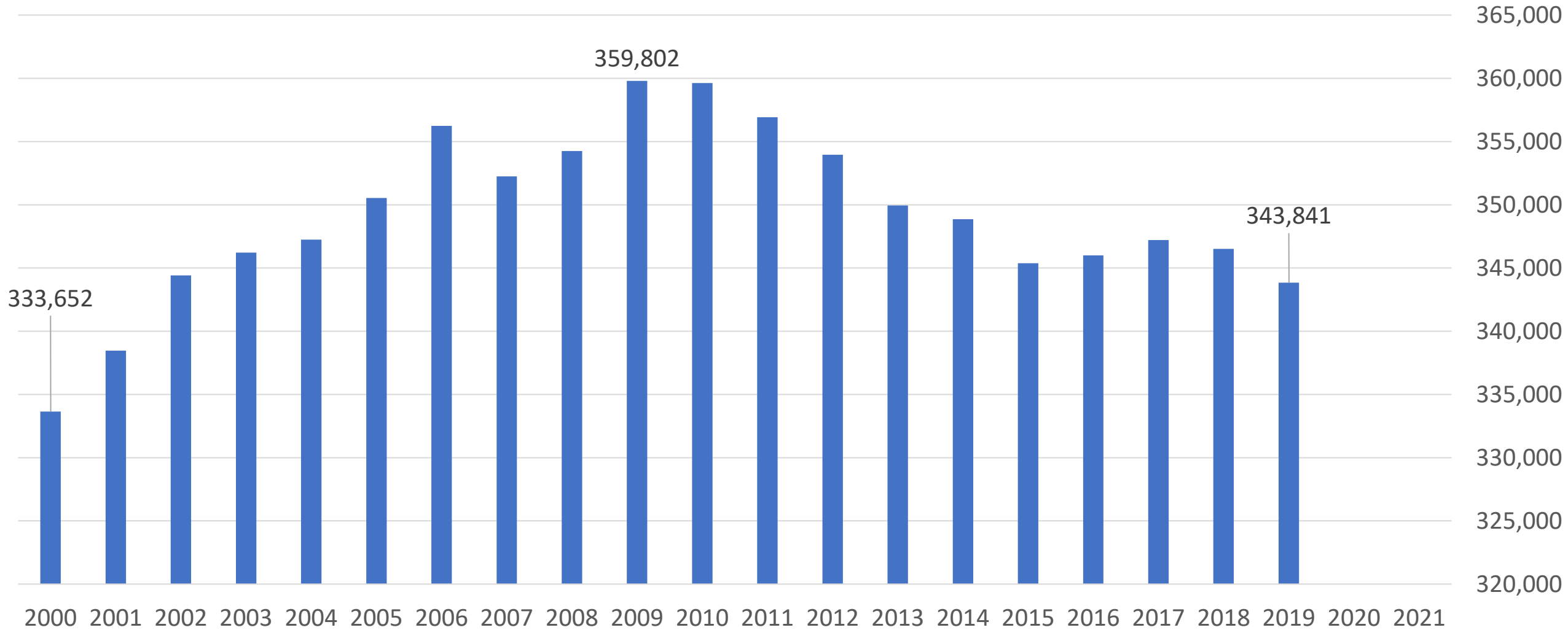
(Seasonally Adjusted)



Employed Unemployed

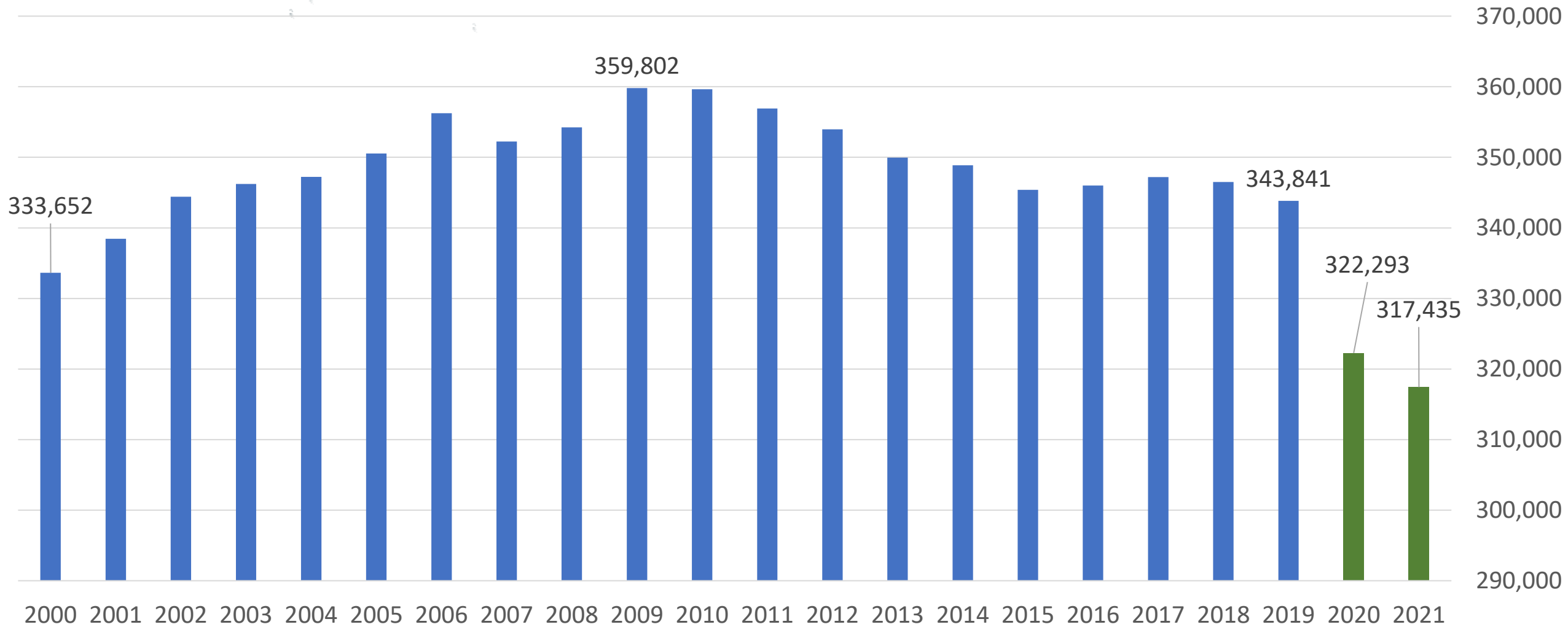
Vermont Labor Force

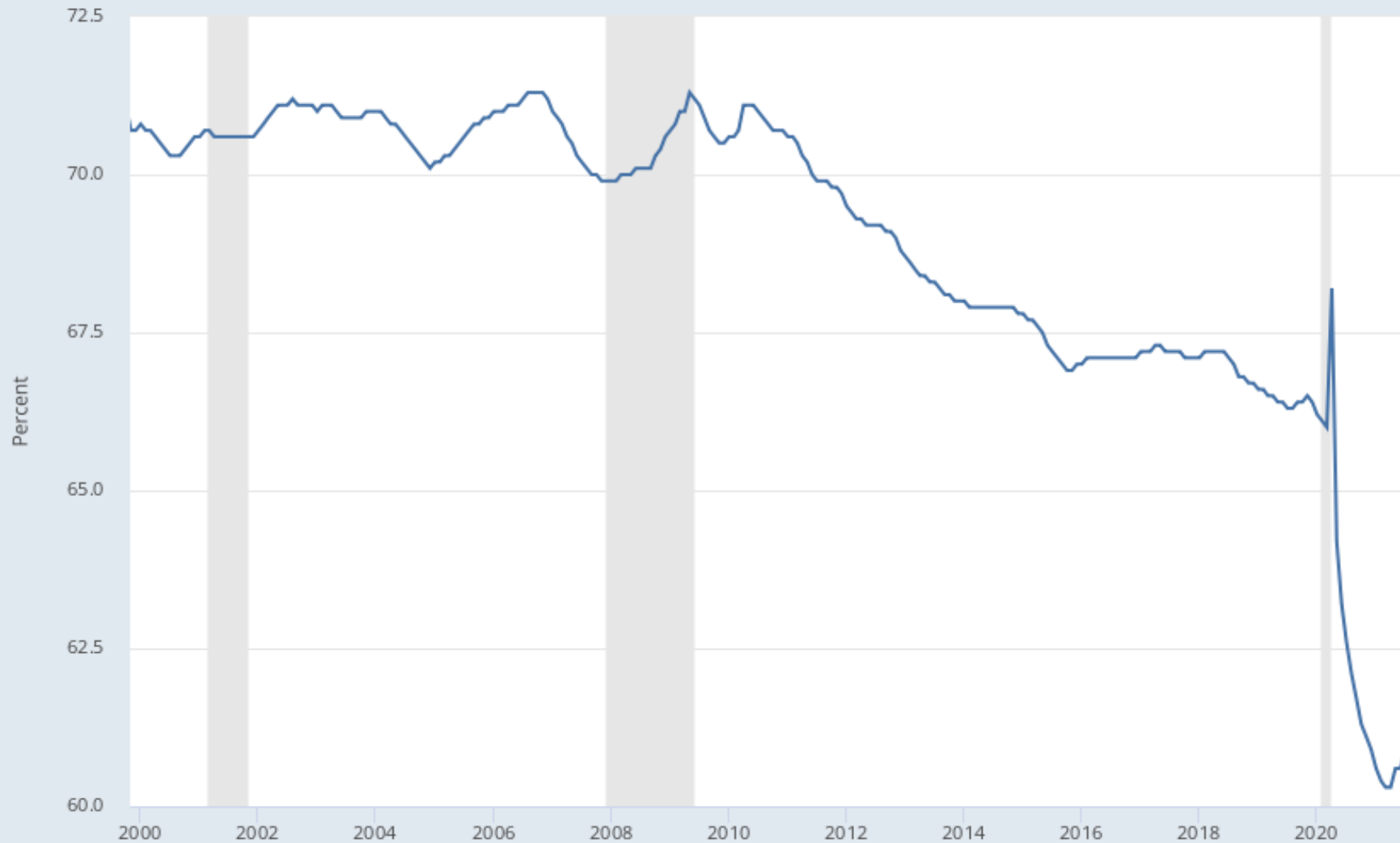
Augusts, 2000 - Present



Vermont Labor Force

Augusts, 2000 - Present





Shaded areas indicate U.S. recessions.

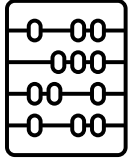
Source: U.S. Bureau of Labor Statistics

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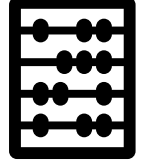
Explanations That Didn't Pan Out:

- They'll return when UI benefits get reduced or expire
- They'll return when the work-search requirement is re-implemented for Unemployment Insurance benefits
- They'll return when school is back in session and childcare needs are reduced

They didn't return. Especially at the lower end of the wage scale.

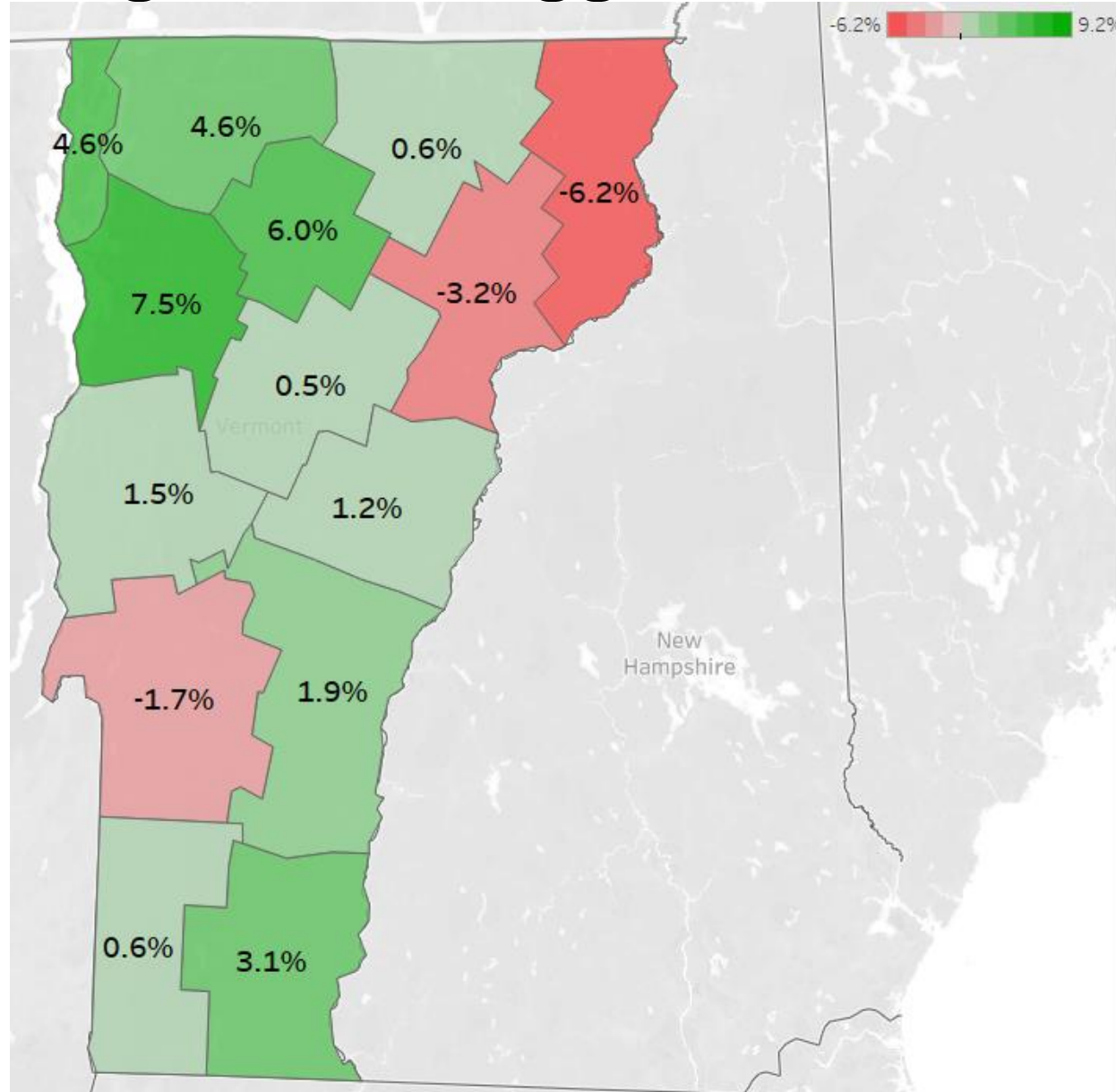


Free Economics Lesson: Productivity!



- Productivity is the \$ value of product a person can produce in a given time period.
- Average worker hours x Average worker productivity = Income
- In order to increase our income we need:
 - More people working or
 - People working more hours or
 - Productivity Gains (or movement from less productive to more productive sectors)

One Last Thing: We're Bigger Than We Thought!



In Brief:

- 23% decline in Total Private Employment
 - Still 5% below peak and increasing very slowly
- The statewide unemployment rate peaked at about 15%
 - It's now 3.0% but...
- The Labor Force is *25,000 Vermonters smaller* than when the pandemic started.
- There are currently more job openings than unemployed persons.
 - 23,000+/- job openings
 - 9,000+/- unemployed persons
 - = Labor Shortage.

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