

Introduction

This edition of Kevin's Corner discusses trends in Vermont's Total Nonfarm employment and the state's labor force related to the pandemic and, separately, over the year 2021. The data included here is part of the annual benchmarked series released concurrent with the Vermont Department of Labor's January 2022 employment press release (Release date: March 14th, 2022). This edition focuses on statewide trends. Substate trends will be discussed in an upcoming edition of Kevin's Corner.

Sources

Current Employment Statistics (CES) is a program of the Economic & Labor Market Information Division in cooperation with our federal partners at the United States Bureau of Labor Statistics. CES provides a monthly estimate of total nonfarm payroll employment for Vermont. It also estimates employment by industry. All monthly estimates used here are seasonally adjusted. Annual averages are not seasonally adjusted. Estimates are derived from a survey of approximately 1,200 Vermont firms representing 2,500 establishments across all industries each month. All CES data can be found at the data tool on our website [here](#).

Local Area Unemployment Statistics (LAUS) is also a program of the Economic & Labor Market Information Division in cooperation with our federal partners at the United States Bureau of Labor Statistics. LAUS data uses data from the Current Population Survey (CPS), Vermont's Unemployment Insurance program, and Current Employment Statistics to generate monthly estimates of the number of Vermonters employed and unemployed (combined, the labor force). The program also produces related data such as the Labor Force Participation Rate. All monthly estimates discussed here are seasonally adjusted. Annual averages are not seasonally adjusted. All LAUS data can be found at the data tool on our website [here](#).



Current Employment Statistics

Statewide annual average employment changes over the pandemic
Total Nonfarm employment averaged 293,600 during 2021, an increase of 6,600 (2.3%) over the 2020 average. Despite this growth the series annual average remains 22,700 jobs or 7.2% below the 2019 annual average of 316,300.

Table 1: Change in Total Nonfarm Employment (Annual Averages)

	Employment	Change from prior year	% change
2021	293,600	+6,600	+2.3%
2020	287,000	-29,300	-9.3%
2019	316,300	+300	+0.1%

Burlington – South Burlington NECTA changes over the pandemic

The Burlington – South Burlington NECTA averaged 118,500 jobs in 2021. This is an increase of 2,500 (2.2%) over 2020's average of 116,000. Despite these gains the NECTA remains 8,000 (-6.3%) below 2019 average employment.

Table 2: Burlington NECTA Total Nonfarm (Annual Averages)

	Employment	Change from prior year	% change
2021	118,500	+2,500	+2.2%
2020	116,000	-9,500	-8.3%
2019	126,500	+600	+0.5%

Statewide industry analysis

Perhaps not surprisingly the industries that experienced the largest gains in 2021 were the industries hardest hit by the pandemic in 2020. Annual average employment in Accommodation & Food Services fell 9,900 (-30.3%) in 2020 relative to 2019. It then grew by 3,100 (+13.6%) in 2021. Meanwhile Arts, Entertainment and Recreation lost 1,300 jobs (-28.9%) in 2020 and gained 500 (+15.6%)

Kevin's Corner is a series of brief reviews of Vermont economic and demographic data. It is written by Kevin Stapleton, Assistant Director of Economic & Labor Market Information for the Vermont Department of Labor with support from E&LMI staff. Kevin can be reached at kevin.stapleton@vermont.gov. For more information visit our website at www.vtlni.info.

in 2021. Other industries with large gains in 2021 include Professional & Business Services (1,500 or +5.3%); Construction (800 or +5.6%); Manufacturing (500 or +1.8%) and Other Services (300 or +3.3%).

Table 3: Industries with large annual changes, 2019 – 2021

Industry	2019-2020 change		2020-2021 change	
	Numeric	Percent	Numeric	Percent
Accommodation & Food Services	-9,900	-30.3%	+3,100	+13.6%
Manufacturing	-1,900	-6.3%	+500	+1.8%
Arts, Entertainment & Recreation	-1,300	-28.9%	+500	+15.6%
Other Services	-1,100	-10.7%	+300	+3.3%
Professional & Business Services	-1,000	-3.4%	+1,500	+5.3%
Construction	-1,000	-6.5%	+800	+5.6%

2021 over-the-year changes to industry employment

Seasonally-adjusted Total Nonfarm employment increased by 13,500 (4.7%) between December 2020 and December 2021. On a percentage basis the largest gain was in Leisure & Hospitality (8,000 or +33.8%). Private Educational Services grew by 2,000 or +20.2%. Other industries with significant growth include Other Services (1,400 or +15.7%), Real Estate, Rental & Leasing (300 or +10.3%) and Administrative & Waste Services (+1,100 or 9.4%).

While most industries experienced growth over the year a few notable industries experienced decline. Federal Government employment declined by 400 or -5.6%. Finance & Insurance declined by 100 (-1.1%). Retail Trade declined by 300 (-0.9%). Finally, Durable Goods Manufacturing declined by 100 (-0.6%).

Table 4: Largest over-the-year changes by Industry (2020 – 2021)

Industry	Change	Percent
Leisure & Hospitality	+8,000	+33.8%
Private Educational Services	+2,000	+20.2%
Other Services	+1,400	+15.7%
Federal Government	-400	-5.6%
Finance & Insurance	-100	-1.1%
Retail Trade	-300	-0.9%

Local Area Unemployment Statistics

Statewide annual labor force changes over the pandemic.

The statewide annual average labor force in 2019 stood at 355,950 people. The figure was the sum of 8,350 unemployed and 347,600 employed persons. That equated to an unemployment rate of 2.3% and a labor force participation rate of 66.9.

The pandemic led to steep declines in the labor force. The 2020 statewide average labor force declined to 341,137, the sum of 322,078 employed persons and 19,059 unemployed. The unemployment rate averaged 5.6%, the highest annual average since 2010. The labor force participation rate dropped to 63.8, the lowest annual average in the series dating back to 1976.

Declines in labor force continued in 2021. The annual average labor force fell another 12,921 to 328,216, the lowest level since 1996. The number of employed persons fell by 5,137 to 316,941 while the number of unemployed persons fell by 7,784 to 11,275. The steep decline in the number of unemployed persons drove the unemployment rate down to 3.4% over the year. Meanwhile the labor force participation rate fell to 61.0.

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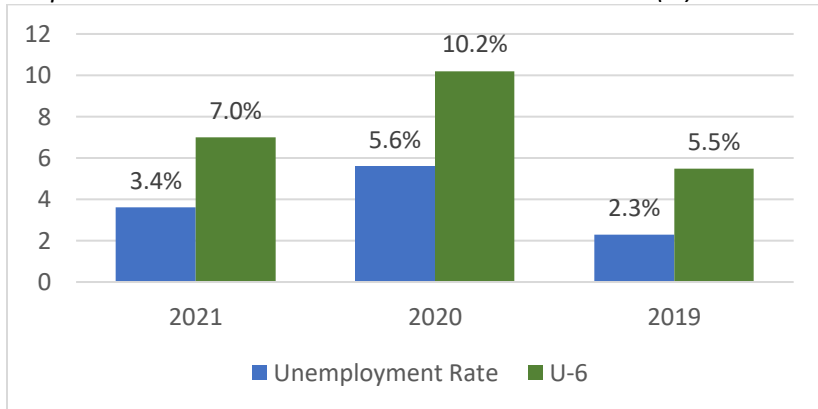
Table 5: Labor Force statistics (Annual Averages)

Year	Labor Force	Employed	Unemp.	Unemp. Rate	Partic. Rate
2019	355,950	347,600	8,350	2.3%	66.9%
2020	341,137	322,078	19,059	5.6%	63.8%
2021	328,216	316,941	11,275	3.4%	61.0%

The published unemployment rate is an estimate of the percentage of the labor force that meets the federal definition of “unemployed”. As part of the Current Population Survey the Bureau of Labor Statistics also publishes other measures of labor market under-utilization. Visit [VTLMI's alternative measures page](#) for a description of the various measures. The most inclusive alternative measure is the U-6, an under-utilization measure that includes all unemployed persons, marginally attached workers and those working part-time for economic reasons.

In 2019 the average annual U-6 rate stood at 5.5%, lowest in the past two decades. The pandemic drove the 2020 annual average rate up to 10.2%, the highest since 2012. With the economy improving throughout 2021 the average rate fell back to 7.0%.

Graph 1: Annual Labor Market Under-utilization Rates (%)



2021 Over-the-year changes to labor force

The seasonally adjusted Vermont labor force grew by 1,448 between December of 2020 and December of 2021. Employment grew by 3,891 while unemployment declined by 2,443. The net effect of these changes was a decline in the unemployment rate from 3.8% in December 2020 to 3.1% in December 2021.

In 2021 the number of employed Vermonters increased every month except January when it fell by 311. Gains ranged from +11 in December of to +875 in April. The number of unemployed persons increased in January and February (+54 and +73 respectively) then declined in every subsequent month. The largest declines were in the consecutive months of May (-453), June (-418) and July (-398).

The labor force participation rate stood at 61.0 in December of 2020. It peaked just one tenth of a point higher in April, May and June. By December of 2021 it had fallen slightly to 60.8.

Table 6: Monthly labor force statistics (2021)

	Labor Force	Employed	Unem- ployed	Unemp. Rate	Participation Rate
Jan	326,828	314,222	12,606	3.9%	61.0%
Feb	327,042	314,363	12,679	3.9%	61.0%
Mar	327,547	315,000	12,547	3.8%	61.0%
Apr	328,125	315,875	12,250	3.7%	61.1%
May	328,514	316,717	11,797	3.6%	61.1%
Jun	328,659	317,280	11,379	3.5%	61.1%
Jul	328,436	317,455	10,981	3.3%	61.0%
Aug	328,348	317,685	10,663	3.2%	60.9%
Sep	328,358	317,942	10,416	3.2%	60.9%
Oct	328,586	318,390	10,196	3.1%	60.9%
Nov	328,546	318,415	10,131	3.1%	60.8%
Dec	328,535	318,426	10,109	3.1%	60.8%

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