

## Introduction

This edition of Kevin's Corner uses data from the Local Area Unemployment Statistics Program to review annual changes in the size of the labor force – the number of employed and unemployed persons – statewide and in Vermont's labor market areas. While the focus will be 2020 we will also review longer-term changes.

Any discussion of 2020 economic data will of course involve the impact of Covid-19 and the economic shutdown. For purposes of this analysis we focus on over-the-year changes between December 2019 and December 2020. A prior edition of Kevin's Corner, found [here](#), addresses the impact of the pandemic on Vermont's labor force.

## Sources

Data for this edition comes from Local Area Unemployment Statistics (LAUS), a program of the Labor Market Information Division in cooperation with our federal partners at the United States Bureau of Labor Statistics. LAUS uses responses for the Current Population Survey (CPS) in combination with data from the unemployment insurance program and Current Employment Statistics to generate monthly estimates of the number of Vermonters employed and unemployed, the sum of which equal the labor force. Sub-state data is available at the county, labor market area and town level. All LAUS data can be found at the data tool on our website [here](#).

LAUS data is based on place of residence. For example a person who resides in the Derby Labor Market Area and works in the Highgate Labor Market Area is included in the Derby labor force estimate.

## Definitions

LAUS relies on CPS definitions related to labor force status:

Employed persons are those that meet one of the following criteria:

1. Worked at least one hour as a paid employee

2. Worked at least one hour at their own business
3. Were absent from their job whether or not they were paid
4. Worked without pay for a minimum of 15 hours in a family-owned business

Unemployed persons are those that meet all of the following criteria:

1. Were not employed during the survey reference week
2. Were available for work (except temporary illness)
3. Actively attempted to find work during the month or were temporarily laid off and expecting to be recalled.

The Labor Force is the sum of the employed and the unemployed. An individual who does not meet either of the above definitions is considered out of the labor force.

The Labor Force Participation Rate is the percent of the Civilian, Non-Institutional Population 16 years and older that is in the labor force.

## Statewide Changes (seasonally adjusted)

In December of 2019 statewide LAUS employment stood at 335,826. In December of 2020 that figure had fallen to 305,226, a decline of 30,600 or 9.1%. This represents the largest December to December drop in series history. The April 2020 employment figure (301,638) was the lowest LAUS employment since July of 1994.

The number of unemployed persons was 8,507 in December of 2019. In December of 2020 that number stood at 10,924. The number of unemployed persons peaked in April, of 2020 at 52,219.

Combined, these changes led to steep declines in the labor force over the year. A labor force that stood at 344,333 in December 2019 fell to 316,150 by December 2020. This drove the labor force participation rate down from 66.4% to 60.9% over the year.



With a decline in the number of employed persons and an increase in the number of unemployed persons, the unemployment rate increased over the year. Between December 2019 and December 2020 it increased by a percentage point from 2.5% to 3.5%. The April, 2020 rate of 14.8% was the highest rate ever recorded in the series.

Note: Due to the removal of the work search requirement in Vermont's Unemployment Insurance program in April, 2020, many Vermonters who formerly met the CPS definition of "unemployed" are currently categorized as "out of the labor force."

### Sub-State Changes (not seasonally adjusted)

#### *Employment*

Every Vermont Labor Market Area (LMA) experienced an over-the-year decline in the number of persons employed. On a percentage basis the smallest declines were in Middlebury (-549 persons or 3.1%), Colebrook NH – Vermont Part (-19 or -3.7%) and Newbury (-112 or -4.3%). The largest declines were found in Woodstock (-828 or 20.6%), Manchester (-1,769 or -16.1%) and Morristown-Waterbury (-2,346 or -13.7%). The largest numerical drop was in Burlington – South Burlington; the state's largest labor market area experienced a decline of 11,815 employed persons (-9.5%).

#### *Unemployment*

Despite the pandemic four labor market areas saw over-the-year declines in the number of unemployed persons. The largest numeric decline was in the Derby LMA where the number of unemployed persons fell by 36 or -6.3%. Northfield – Waitsfield experienced a decline of 9 or -5.9%. The Vermont parts of two LMA's shared with New Hampshire also saw slight declines. These include the Littleton NH LMA (-2 or -7.7%) and the Colebrook NH LMA (-3 or 20.0%).

On a percentage basis the largest over-the-year increase in unemployed persons was in Woodstock where the figure increased

by 86.7% (+72 persons). Other LMAs with large increases included Burlington-South Burlington (+1,002 persons or +43.0%), Brattleboro (+214 or +40.7%) and Rutland (+183 or +34.1%).

#### *Labor force*

Every labor market area experienced a decline in labor force between December 2019 and December 2020. The largest numeric decline was in Burlington-South Burlington where the labor force declined by 10,813 persons (-8.6%). Barre-Montpelier declined by 2,359 (-9.0%) followed by Morristown-Waterbury, -2,258 or -12.8%.

On a percentage basis the largest declines were in Woodstock (-18.5% or -756 persons). Next was Manchester (-14.9% or 1,681) and the Vermont part of the Littleton NH LMA (-13.1% or -110).

#### *Unemployment Rate*

Over the year the unemployment rate declined in one labor market area, the Vermont part of the Colebrook NH LMA. In that small LMA the unemployment rate fell 0.5 percentage points from 2.8% to 2.3%. The smallest increase was in Northfield-Waitsfield where the rate increased by 0.1 percentage points over the year. Derby and the Vermont part of the Littleton NH LMA both increased by 0.2 points.

The largest increases were in Woodstock, where the rate increased from 2.0% to 4.6% and Manchester, from 2.7% to 4.1%. Brattleboro and Highgate both saw increases of 1.3 percentage points (from 2.5% to 3.8% and from 2.7% to 4.0% respectively).

In December of 2019 the Derby labor market area had the highest unemployment rate in the state (4.5%) followed by Bennington at 3.6%. Burlington-South Burlington and White River Junction were tied for lowest at 1.8%. One year later the Derby still had the highest rate at 4.7% (+0.2 percentage points over the year). The lowest rates were in Northfield-Waitsfield (2.2%), The Vermont part of Colebrook, NH (2.3%) and White River Junction (2.4%).

**Labor Market Area Labor Force and Unemployment (not seasonally adjusted)**

| <b>Labor Market Area</b>    | <b>Year</b> | <b>Month</b> | <b>Labor Force</b> | <b>Employment</b> | <b>Unemployment</b> | <b>Unemp Rate</b> |
|-----------------------------|-------------|--------------|--------------------|-------------------|---------------------|-------------------|
| Barre-Montpelier            | 2020        | Dec          | 23,736             | 22,998            | 738                 | 3.1               |
| Barre-Montpelier            | 2019        | Dec          | 26,095             | 25,510            | 585                 | 2.2               |
| Bennington                  | 2020        | Dec          | 9,780              | 9,378             | 402                 | 4.1               |
| Bennington                  | 2019        | Dec          | 11,049             | 10,654            | 395                 | 3.6               |
| Brattleboro                 | 2020        | Dec          | 19,483             | 18,743            | 740                 | 3.8               |
| Brattleboro                 | 2019        | Dec          | 21,350             | 20,824            | 526                 | 2.5               |
| Burlington-South Burlington | 2020        | Dec          | 115,483            | 112,150           | 3,333               | 2.9               |
| Burlington-South Burlington | 2019        | Dec          | 126,296            | 123,965           | 2,331               | 1.8               |
| Colebrook, NH-VT (Vt part)  | 2020        | Dec          | 513                | 501               | 12                  | 2.3               |
| Colebrook, NH-VT (Vt part)  | 2019        | Dec          | 535                | 520               | 15                  | 2.8               |
| Derby                       | 2020        | Dec          | 11,310             | 10,779            | 531                 | 4.7               |
| Derby                       | 2019        | Dec          | 12,477             | 11,910            | 567                 | 4.5               |
| Highgate                    | 2020        | Dec          | 8,837              | 8,485             | 352                 | 4.0               |
| Highgate                    | 2019        | Dec          | 9,935              | 9,665             | 270                 | 2.7               |
| Littleton, NH-VT (Vt part)  | 2020        | Dec          | 729                | 705               | 24                  | 3.3               |
| Littleton, NH-VT (Vt part)  | 2019        | Dec          | 839                | 813               | 26                  | 3.1               |
| Manchester                  | 2020        | Dec          | 9,637              | 9,243             | 394                 | 4.1               |
| Manchester                  | 2019        | Dec          | 11,318             | 11,012            | 306                 | 2.7               |
| Middlebury                  | 2020        | Dec          | 17,598             | 17,070            | 528                 | 3.0               |
| Middlebury                  | 2019        | Dec          | 18,041             | 17,619            | 422                 | 2.3               |
| Morristown-Waterbury        | 2020        | Dec          | 15,402             | 14,760            | 642                 | 4.2               |
| Morristown-Waterbury        | 2019        | Dec          | 17,660             | 17,106            | 554                 | 3.1               |
| Newbury Labor Market Area   | 2020        | Dec          | 2,561              | 2,480             | 81                  | 3.2               |
| Newbury                     | 2019        | Dec          | 2,667              | 2,592             | 75                  | 2.8               |
| Northfield-Waitsfield       | 2020        | Dec          | 6,442              | 6,299             | 143                 | 2.2               |
| Northfield-Waitsfield       | 2019        | Dec          | 7,238              | 7,086             | 152                 | 2.1               |
| Randolph                    | 2020        | Dec          | 6,598              | 6,379             | 219                 | 3.3               |
| Randolph                    | 2019        | Dec          | 7,209              | 7,016             | 193                 | 2.7               |
| Rutland                     | 2020        | Dec          | 19,151             | 18,432            | 719                 | 3.8               |
| Rutland                     | 2019        | Dec          | 21,010             | 20,474            | 536                 | 2.6               |
| Springfield                 | 2020        | Dec          | 9,862              | 9,556             | 306                 | 3.1               |
| Springfield                 | 2019        | Dec          | 10,755             | 10,520            | 235                 | 2.2               |
| St. Johnsbury               | 2020        | Dec          | 12,586             | 12,144            | 442                 | 3.5               |
| St. Johnsbury               | 2019        | Dec          | 13,256             | 12,863            | 393                 | 3.0               |
| White River Junction        | 2020        | Dec          | 18,469             | 18,024            | 445                 | 2.4               |
| White River Junction        | 2019        | Dec          | 19,831             | 19,480            | 351                 | 1.8               |
| Woodstock                   | 2020        | Dec          | 3,341              | 3,186             | 155                 | 4.6               |
| Woodstock                   | 2019        | Dec          | 4,097              | 4,014             | 83                  | 2.0               |

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