

## Introduction

This edition of Kevin's Corner discusses trends in Vermont's labor market over the year 2023. The review includes benchmarked data from the series released concurrent with the Vermont Department of Labor's January 2023 employment press release.

### 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. 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). All LAUS data can be found at the data tool on our website [here](#).

The Job Openings and Labor Turnover Survey (JOLTS) is a program of the Bureau of Labor Statistics. It provides monthly estimates of job openings, hires, layoffs and quits based on a survey of approximately 21,000 firms nationwide. National and state level data from the program can be found [here](#).

All data in this review is seasonally adjusted unless otherwise noted.

## Current Employment Statistics (CES)

Total Nonfarm employment increased by 4,100 jobs (+1.3%) between December of 2022 and December of 2023. This increase leaves the Vermont economy approximately 6,400 jobs (-2.0%) below pre-pandemic levels. See Table 1 below.

*Table 1: Change in Total Nonfarm Employment - Statewide*

	Employment	Change from Prior	% Change from Prior
<b>Dec 2023</b>	309,600	+4,100	+1.3%
<b>Dec 2022</b>	305,500	+5,500	+1.8%
<b>Dec 2021</b>	300,000	+14,500	+5.1%
<b>Dec 2020</b>	285,500	-30,500	-9.7%
<b>Dec 2019</b>	316,000	-	-

### Burlington – South Burlington NECTA

Burlington – South Burlington NECTA employment stood at 125,700 in December of 2023, an increase of 2,800 jobs (+2.3%) over the same date in 2022. While it rebounded more than the statewide figures, employment in December 2023 remained 1,200 (-0.9%) below pre-pandemic levels. See Table 2 below.

*Table 2: Change in Total Nonfarm Employment - Burlington NECTA*

	Employment	Change from Prior	% Change from Prior
<b>Dec 2023</b>	125,700	+2,800	+2.3%
<b>Dec 2022</b>	122,900	+1,800	+1.5%
<b>Dec 2021</b>	121,100	+4,700	+4.0%
<b>Dec 2020</b>	116,400	-10,500	-8.3%
<b>Dec 2019</b>	126,900	-	-

*Statewide Industry Analysis*

While seasonally adjusted Total Nonfarm employment increased by 4,100 (+1.3%) between December 2022 and December 2023, changes at the industry level were varied. The private sector added 2,400 jobs (+1.0%). The public sector added 1,700, an increase of 3.2%. Goods Producing industries experienced a decline of 1,000 jobs (-2.2%) while Service-Providing industries saw an increase of 5,100 or 2.0%.

*Industries with Significant Employment Gains*

On a percentage basis the largest employment gain over the year was in Arts, Entertainment and Recreation (+300 jobs or +7.1%), leaving it with the same number of jobs the industry had in the December prior to the pandemic (2019). State Government grew by +1,200 or 7.0%. Private Educational Services added 500 jobs or 4.1%.

*Table 3: Large Employment Gains by Industry, Dec 2022 – Dec 2023*

Industry	2022 Employment	2023 Employment	Numeric Change	%
Arts, Entertainment and Recreation	4,200	4,500	+300	+7.1%
State Government	17,200	18,400	+1,200	+7.0%
Private Educational Services	12,100	12,600	+500	+4.1%
Health Care & Social Assistance	49,500	51,000	+1,500	+3.0%
Professional & Business Services	32,400	32,900	+500	+1.5%
Retail Trade	35,400	35,900	+500	+1.4%

On a numerical basis the largest employment gains were found in Health Care & Social Assistance with a gain of 1,500 jobs (+3.0%), still 1,400 jobs below December 2019. Other industries with large numerical gains included State Government (+1,200 or +7.0%), Professional & Business Services (+500 or +1.5%) and Retail Trade (+500 or +1.4%). See Table 3 above.

*Industries with employment losses*

Taken as a whole, Manufacturing employment declined by 1,300 jobs or -4.5%. Durable Goods Manufacturing declined by 1,100 (-6.3%) while Non-Durable Goods Manufacturing declined by 200 or -1.7%. The only other industries that experienced over-the-year declines were Wholesale Trade (-100 or -1.1%) and Transportation, Warehousing & Utilities (-100 or -1.3%). See Table 4 below.

*Table 4: Employment Losses by Industry, Dec 2022 – Dec 2023*

Industry	2022 Employment	2023 Employment	Numeric Change	%
Manufacturing	29,100	27,800	-1,300	-4.5%
<i>Durable Goods subsector</i>	<i>17,500</i>	<i>16,400</i>	<i>-1,100</i>	<i>-6.3%</i>
<i>Non-Durable Goods subsector</i>	<i>11,600</i>	<i>11,400</i>	<i>-200</i>	<i>-1.7%</i>
Wholesale Trade	8,900	8,800	-100	-1.1%
Transport, Warehousing & Utilities	7,900	7,800	-100	-1.3%



### *Industry-Level Employment Changes Since the Pandemic*

Comparing December 2023 industry employment to December 2019 levels demonstrates how varied the pandemic and recovery have been. Vermont publishes employment counts for 33 sectors and sub-sectors in the state. Twenty four of those had lower employment levels in December 2023 than December 2019. Seven had higher employment levels. Two had the same employment in both periods.

Industries experiencing the largest gains in employment since December, 2019 include Professional & Business Services (+2,900 jobs or +9.7%) and its subsector, Professional Scientific & Technical Services (+2,600 or +16.9%). Construction is up by 500 jobs (+3.3%). Administrative and Waste Management is also up 500 jobs or +4.0%.

Despite over-the-year growth at every level of government in 2023, all remain below pre-pandemic levels. Federal Government employment is down 200 or -2.8% relative to December, 2019. State Government is down 800 jobs or -4.2%. Local Government is down 200 jobs or -0.7%. Other industries remain much further below 2019 levels. These include Durable Goods Manufacturing which is down 2,100 jobs or -11.4%; Accommodations & Food Service (-2,400 jobs or -7.5%); Trade, Transportation & Utilities (-1,500 or -2.8%); and Health Care & Social Assistance (-1,400 or -2.7%).

### **Local Area Unemployment Statistics (LAUS)**

#### *Statewide Labor Force Changes*

The number of employed Vermonters increased in every month of 2023, growing by a total of 6,559 (+1.9%) between December of 2022 and December of 2023. In December 2023, 345,433 Vermonters were employed, a figure that remains slightly below the December 2019 (pre-pandemic) level of 346,278.

The number of unemployed persons ended the year virtually unchanged relative to 2022. In December 2023 there were 7,979 unemployed Vermonters, a 54 person increase over December 2022. The number of unemployed persons varied throughout the year from a low of 5,945 in April to a high of 8,054 in October. The number of unemployed people averaged 6,404 during the first half of the year, a figure that increased to 7,627 in the second half.

Combining the employed and unemployed, Vermont's labor force increased by 6,613 between December 2022 and December 2023. The labor force increased every month of the year by an average of 551 persons. The December 2023 figure (353,412) is eighty persons larger than the pre-pandemic December 2019 level.

The unemployment rate (the percent of the labor force that is unemployed) ended the year at the same value it ended 2022, 2.3%. It fell as low as 1.7% in both April and May, then increased gradually over the course of the summer. It held steady at 2.3% for the last three months of the year.

The civilian labor force participation rate is the percent of the civilian, non-institutionalized population over the age of 16 that is in the labor force. Between December of 2022 and December of 2023 the rate increased from 64.1 to 65.0. The rate either increased or remained the same in every month of 2023. See Table 5.

The December 2023 labor force participation rate was the highest figure since the spring of 2020 during the very early days of the pandemic. In 2019 the rate averaged 66.4. Prior to the pandemic the participation rate had been on a decade-long secular decline from its 21<sup>st</sup> century peak of 71.3 in May 2009.



Table 5: Vermont Labor Force Data, 2023

Month	Labor Force	Employed	Unemployed	Unemp Rate	Participation Rate
January	347,544	340,187	7,357	2.1	64.2
February	348,217	341,477	6,740	1.9	64.3
March	348,828	342,599	6,229	1.8	64.4
April	349,422	343,477	5,945	1.7	64.5
May	350,039	344,093	5,946	1.7	64.6
June	350,628	344,423	6,205	1.8	64.7
July	351,254	344,572	6,682	1.9	64.7
August	351,900	344,649	7,251	2.1	64.8
September	352,501	344,754	7,747	2.2	64.9
October	352,999	344,945	8,054	2.3	65.0
November	353,220	345,170	8,050	2.3	65.0
December	353,412	345,433	7,979	2.3	65.0

**Labor Market Under-Utilization**

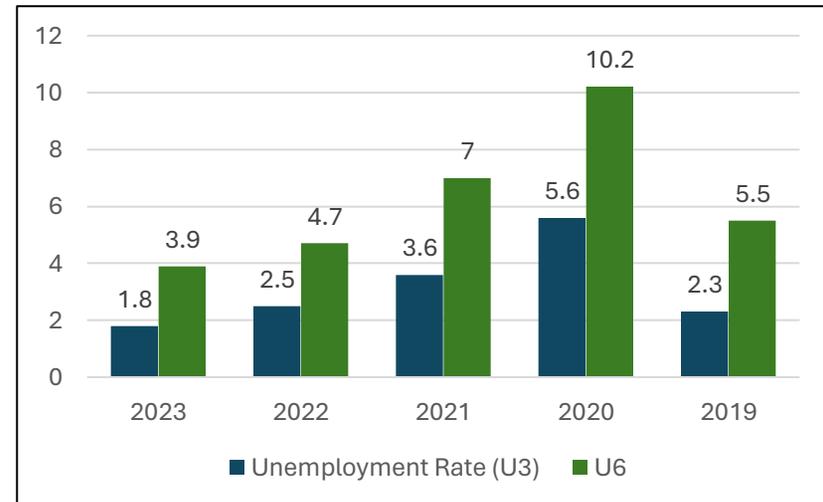
The Bureau of Labor Statistics and the Economic & Labor Market Information Division publish other measures of labor market under-utilization as part of The Current Population Survey. Visit [VTLMI's alternative measures page](#) for a description of the various measures. The most inclusive alternative measure is the U6, an under-utilization measure that includes all:

- 1) Unemployed persons: Those who want work, are available for work and have searched for work in the past 4 weeks.

- 2) Marginally attached workers: Those persons not in the labor force who want and are available for work, and who have looked for a job sometime in the prior 12 months, but have not searched for work in the preceding 4 weeks.
- 3) Those working part-time for economic reasons: People who want to work full time but are not able to find full time work and are therefore working part-time.

This figure is published on a quarterly basis and based upon the average of the previous four quarters. The average annual value of the U6 for 2023 was 3.9%, representing the lowest rate in the history of the series dating back to 2003. This figure is a 0.8 point decline from the 2022 annual average of 4.7% and a 6.3 point decline from the pandemic-era 2020 annual average of 10.2%. The comparable 2019 figure was 5.5%. See Table 6.

Table 6: Annual Labor Market Under-utilization Rates



**Job Openings & Labor Turnover Survey (JOLTS)**

The labor market continued to be constrained by a shortage of available workers throughout the year. Job openings peaked at 27,000 in April and retreated slightly to 22,000 by December. While the decline is notable the level is still well above the 2019 average of 16,000 openings. The decline in openings was matched by a similar decline in hires, with hirings falling from a high of 15,000 in February to 12,000 in December, on par with pre-pandemic levels.

Quits (people leaving a position voluntarily) fell to 2019 levels once again. For the year monthly quits averaged just about 7,000, matching the 2019 average. Layoffs were well below 2019 averages and comparable with numbers from 2021 when the economy was rebounding from the pandemic..

Perhaps the most telling data point about current constraints in the labor market: The number of unemployed persons per job opening continued to decline throughout the first 10 months of 2023. During 2019 that number averaged 0.5, meaning there was one unemployed person for every two job openings. During 2020 that figure increased to an average of 1.5 unemployed persons per job opening as the pandemic drove layoffs. Since then the number of unemployed persons per job opening in Vermont has fallen. There was an average of 0.4 unemployed persons per job in 2021 and 2022. That number fell to 0.3 during the spring and summer of 2023. In November and December of 2023 it increased slightly, reaching 0.4 and 0.5 in those months respectively. See Table 7.

*Table 7: Labor turnover data (thousands)*

	Hirings	Openings	Layoffs	Quits	Unemployed / Opening
<b>2019 avg</b>	13	16	7	7	0.5
<b>2020 avg</b>	13	14	9	5	1.5
<b>2021 avg</b>	13	22	4	8	0.4
<b>2022 avg</b>	14	22	9	8	0.4
<b>Jan-23</b>	14	24	4	7	0.4
<b>Feb-23</b>	15	25	4	8	0.4
<b>Mar-23</b>	14	26	7	8	0.3
<b>Apr-23</b>	14	27	3	7	0.3
<b>May-23</b>	13	26	4	9	0.3
<b>Jun-23</b>	11	26	3	7	0.3
<b>Jul-23</b>	12	24	5	7	0.3
<b>Aug-23</b>	13	23	3	7	0.3
<b>Sep-23</b>	13	24	3	7	0.3
<b>Oct-23</b>	11	23	5	7	0.3
<b>Nov-23</b>	12	20	3	8	0.4
<b>Dec-23</b>	12	22	4	8	0.5