

## Introduction

This edition of Kevin's Corner reviews Vermont's labor force participation rate with a particular focus on people 18 to 55 years old. This is a slightly broader metric than the traditional "prime working age" definition which covers people 25 to 54 years old.

Vermont's rate is compared to those in the six other states of the Bureau of Labor Statistics' Northeast region. The region includes the six New England states and New York. While Puerto Rico and The Virgin Islands are also part of the BLS Northeast region they are excluded from this analysis.

## Sources

This review relies on data from the Current Population Survey (CPS). The CPS is a monthly survey conducted by the United States Census Bureau on behalf of the Bureau of Labor Statistics. It surveys approximately 60,000 households each month to generate information on employment, earnings, education and a range of related items. More information about the CPS can be found [here](#).

## Definitions:

The labor force participation rate is the share of the civilian non-institutionalized population over the age of 16 that is in the labor force. This analysis also focuses on a subset of that group, those people between the ages of 18 and 55 years old.

The labor force is defined as the sum of employed persons and unemployed persons. An employed person is someone who worked for pay during the week including the 12<sup>th</sup> day of the month. An unemployed person is someone who is willing and able to work, actively sought work in the past four weeks but was not work during the reference week including the 12th day of the month.

## Recent Trends in Labor Force Participation

Vermont's labor force participation rate has been above the US average since statewide data was first made available in 1976. Over

that period the state's monthly, seasonally-adjusted participation rate has averaged 4.2 percentage points higher than the nation as a whole.

As of July of 2024 Vermont's labor force participation rate stands at 65.7%, three percentage points higher than the US rate of 62.7%. At the moment Vermont's rate is the second highest in the region behind Massachusetts (66.0%) and twelfth highest nationally. Among the states of the Northeast region only New York and Maine have rates below the national average. Historically, Vermont and New Hampshire have held the highest rates while New York and Maine have had the lowest. See Table 1 for current annual averages. The appendix lists the labor force participation rate for all states

*Table 1: Northeast Region Labor Force Participation Rates (July 2024)*

State	Rate
Connecticut	64.4%
Maine	59.8%
Massachusetts	66.0%
New Hampshire	65.6%
New York	61.3%
Rhode Island	65.2%
<b>Vermont</b>	<b>65.7%</b>
US	62.7%

## Labor Force Participation Rates Among Those 18-55 Years Old

The labor force participation rate varies significantly by age cohort. The nationwide rate among 16-19 year olds is about 36% with many

young people out of the labor market for education. At the other end of the age spectrum, the rate among those over 65 years of age without a disability is about 24%. This low rate is due in large part to retirements. Among people 25-54 the rate is around 84%, a full 60 percentage points higher.

In this section we focus on people between the ages of 18 and 55, a group that traditionally maintains a high participation rate. Among that group, Vermont's 12-month moving average for July 2024 was 83.6%. While the rate declined during the years of the pandemic it is now above the July 2019 figure of 83.3%.

As with the participation rate for all people 16+, Vermont's rate among those between 18 and 55 compares favorably with other Northeast region states. While Vermont has the highest rate, the second highest rate is New Hampshire at 83.2%, followed by Rhode Island (82.7%). New York is the lowest at 78.0%. See Table 2.

*Table 2: Labor Force Participation Rates, 18-55 year olds, July 2024*

State	Rate
Connecticut	80.9%
Maine	81.1%
Massachusetts	81.1%
New Hampshire	83.2%
New York	78.0%
Rhode Island	82.7%
<b>Vermont</b>	<b>83.6%</b>

### **Pandemic-Era Changes in Northeast Labor Force Participation Rates**

During the pandemic the labor force participation rate fell across the nation as individuals stepped out of the labor force to protect themselves and care for family members. The participation rate of the population 18-55 fell in every state in the Northeast region. Vermont's pre-pandemic (July 2019) 12-month moving average of 83.3% fell to a low of 80.5% by the same period in 2022. This fall of 2.8 percentage points was the third largest among Northeast region states. The largest decline was in Connecticut, which fell from 82.3% in 2019 to a low of 78.9% (a fall of 3.4 percentage points) in 2021. The next largest was in Maine, which saw a decline from 2019's 81.7% to a low of 79.6% in 2022 (-2.9 percentage points). Massachusetts saw the smallest decline, 1.0 percentage point from 81.2% in 2019 to 80.2% in 2021.

Vermont's participation rate for people 18-55 has fully rebounded to 2019 levels. As of July 2024 the 12-month average stood at 83.6%, three tenths of a percentage point higher than the 2019 average. Within the region both New York (+1.6 percentage points) and Rhode Island (+0.8 points) have also reached their July 2019 average. The averages in Connecticut (-1.6 points); New Hampshire (-1.2 points); Maine (-0.6 points); and Massachusetts (-0.1 points) are still below 2019 figures.

**Appendix: Labor Force Participation Rate by State, 16+ Years of Age  
July 2024 Seasonally-Adjusted Average**

<i>United States</i>	62.7%	Missouri	63.8%
Alabama	57.5%	Montana	62.9%
Alaska	64.9%	Nebraska	68.4%
Arizona	62.3%	Nevada	62.7%
Arkansas	57.9%	New Hampshire	65.6%
California	62.0%	New Jersey	64.7%
Colorado	67.9%	New Mexico	57.4%
Connecticut	64.4%	New York	61.3%
Delaware	59.7%	North Carolina	60.4%
District Of Columbia	72.5%	North Dakota	68.9%
Florida	58.8%	Ohio	62.3%
Georgia	61.8%	Oklahoma	63.1%
Hawaii	59.7%	Oregon	63.0%
Idaho	62.9%	Pennsylvania	62.9%
Illinois	65.0%	Rhode Island	65.2%
Indiana	62.5%	South Carolina	57.5%
Iowa	66.4%	South Dakota	67.5%
Kansas	66.1%	Tennessee	59.5%
Kentucky	57.6%	Texas	64.4%
Louisiana	58.6%	Utah	68.6%
Maine	59.8%	Vermont	65.7%
Maryland	65.5%	Virginia	66.1%
Massachusetts	66.0%	Washington	63.6%
Michigan	62.4%	West Virginia	55.1%
Minnesota	67.8%	Wisconsin	65.5%
Mississippi	54.2%	Wyoming	63.1%

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