



State of Working Vermont 2017





How are Vermont's workers and their families doing?

Economic growth is tepid, but even the modest gains are not making it to most Vermonters' paychecks. While the share of families struggling financially might not be as large as elsewhere, it continues to creep up. And while the unemployment rate is low, fewer people are working.

In other words, Vermonters are doing about as well, or as poorly, as they've done for more than a decade.

Why no progress? Part of the reason is that many policymakers are thinking backwards. They hope that when and if the economy improves, wages and tax receipts will rise, the state will be able to meet its residents' needs, and Vermont's prosperity will be more broadly shared. The data in this report suggest otherwise. To get the trend lines moving in the right direction, we need to flip our thinking—to start with the premise that addressing the needs of all workers and families is the way to strengthen the economy.

Measuring progress

No one statistic or measure tells us whether Vermonters' lives are getting better. We can monitor factors that contribute to the expansion of the middle class: economic growth, job creation, income distribution, public policies, and public investments. But even when those indicators appear to be positive—such as a rising gross state product—it's crucial to look at what is happening to people.

Measures such as poverty rates, income growth and disparity, housing affordability and homelessness, labor force expansion and job growth, health care coverage, and the availability of social and educational services let us see, at least statistically, who's getting ahead and who's falling behind. Putting these statistics together helps us understand where policy changes could make a difference to working families and start to break down some of the systemic barriers holding back single parents, people of color, and Vermonters without post-secondary education.

Decisions ahead

The Republican tax overhaul—an historic redistribution of wealth to the already wealthy—promises to make life harder for low- and moderate-income Vermonters. That legislation is based on one soundly disproven theory: that income tax breaks, corporate tax loopholes, and relaxed regulation free up capital for businesses to invest, creating more jobs, higher wages, and a stronger economy, lifting all boats. Each time this theory has been put into practice, it has accomplished only one thing: made the rich richer.

In the past Vermont has broken from some federal tax policies that would have made the rich richer and stalled progress for everyone else—in the early 2000s, for instance, it preserved its progressive taxation when Washington gave big tax cuts to the highest-income taxpayers. Still, Montpelier has enacted few major policies to mitigate the negative effects of the larger economy on Vermonters' lives; the state has launched no big initiatives to create and sustain prosperity for all.

Vermont could wait for the economy to improve, and provide some small fixes along the way. Or it could try something bold and new. It could adopt state-level policies—such as an increased minimum wage and adequate assistance to low-income families—to boost the income of people who are most likely to spend their money here and now, not salt it away in global investments. The state could step up efforts to remove the obstacles that make it difficult for low-income parents to work, such as unaffordable child care and lack of transportation. It could make meaningful public investments in education and infrastructure that benefit everyone, not just a select few.

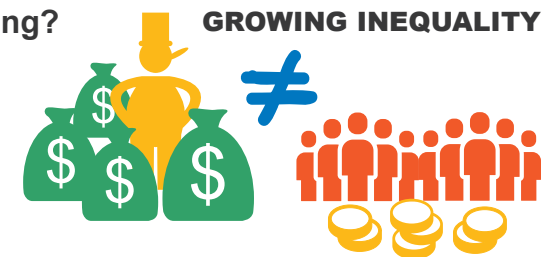
The new U.S. tax code will exacerbate income inequality and curtail the flow of resources to the states. That's a serious threat to Vermont, more than a third of whose budget comes from federal funds. Washington is forcing Montpelier to make tough decisions. Will Vermont act to improve the lives of working people and protect the most vulnerable? Will it shrink the gap between the rich and everyone else, rather than supersize it? Looking at the charts in these pages, we believe Vermont has no choice but to answer yes to both these questions.

What the 2016 data show

The State of Working Vermont 2017 includes indicators to answer three questions:

1. How is the overall Vermont economy doing, and who is benefiting?

- Vermont's economy is growing, if slowly (p. 5)
- Median household income has barely budged (p. 6), while income (pp. 7-8) and wages (p. 9) grow at the top
- Income inequality is getting worse—most Vermonters are not sharing in economic growth (pp. 7-9)



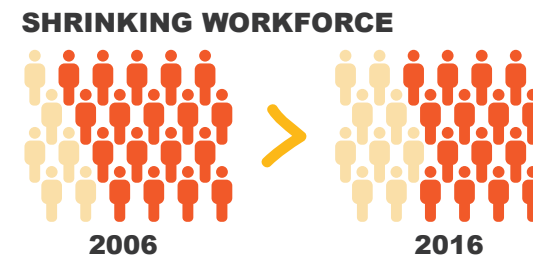
2. Can Vermonters make ends meet?

- Many families cannot pay the bills (p. 10)
- 1 in 9 Vermonters are facing poverty (p. 11), and it's worse for people of color (p. 12)
- Many families are struggling to afford housing (pp. 13-14), child care (p. 16), and food (p. 17), although most have health insurance (p. 15)



3. How is the job market for Vermonters, and who is working?

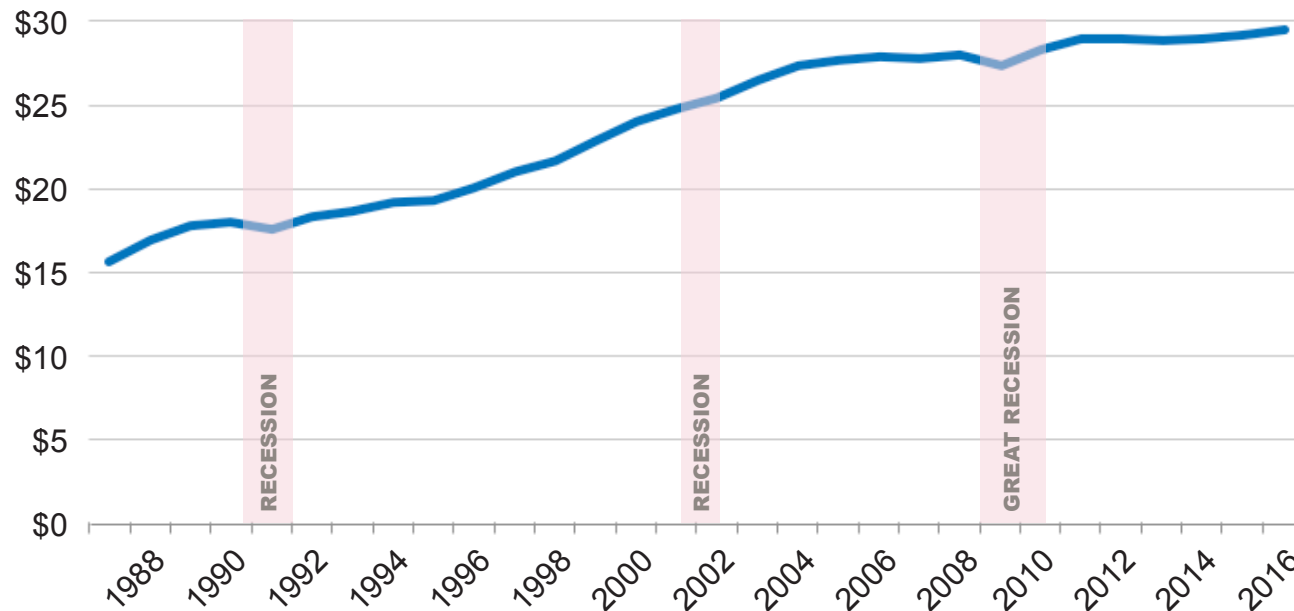
- The labor force is shrinking and aging (p. 18)
- 24,000 Vermonters are unemployed, underemployed, or discouraged (p. 20)
- Jobs are concentrated geographically (p. 23) and by sector (p. 25), leaving some workers out (pp. 21-22)



PART 1 • ECONOMY, INCOME, and INEQUALITY

How is the overall Vermont economy doing, and who is benefiting?

Vermont's economy started slowing even before the Great Recession Annual production of goods and services (gross state product), adjusted for inflation, 1987-2016, in billions



Data source: U.S. Bureau of Economic Analysis
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GROSS STATE PRODUCT

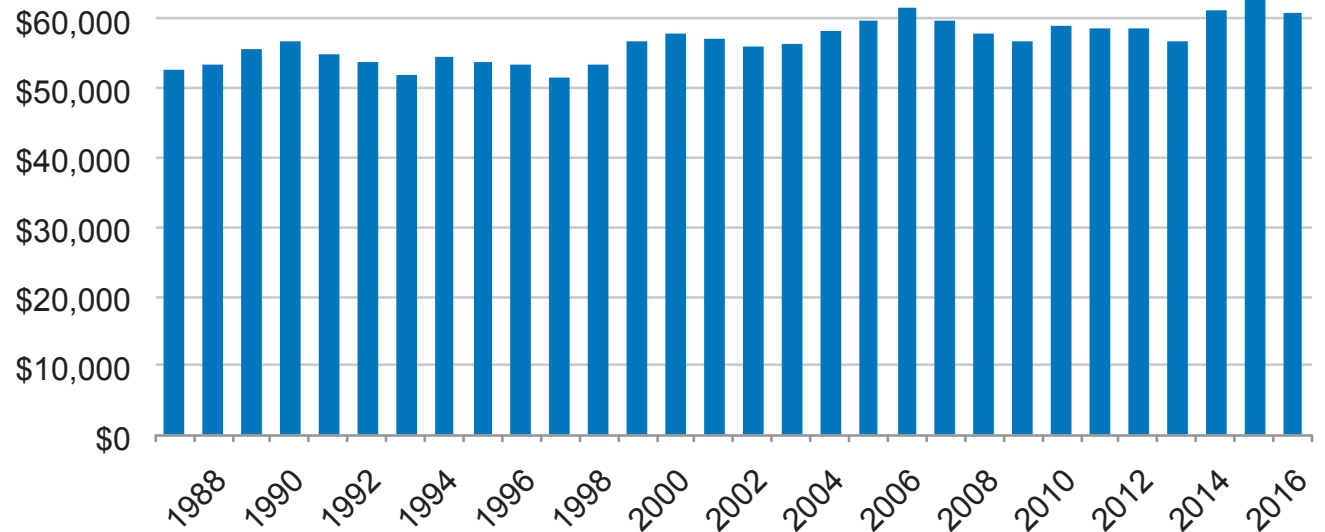
Gross state product (GSP) is the state's portion of gross domestic product (GDP), the total value of the goods and services produced in the nation. Globally GDP is the most commonly recognized measure of an economy's health. Real gross state product is the state's share after adjusting for inflation.

From the late 1980s to the early 2000s the pace of Vermont's economic growth tracked the national economy. Real gross state product (GSP) in Vermont and real gross domestic product (GDP) nationally grew more than 75 percent. But the first decade of the new millennium was marked by two recessions, including the Great Recession that began at the end of 2007. Vermont's economy has picked up again in recent years, albeit slowly. But Vermont's GSP growth has lagged behind the national growth rate and behind all but one New England state, Connecticut, since 2011.

MEDIAN HOUSEHOLD INCOME

Median household income is the middle amount of annual income—half of Vermont households receive more than the median income and half receive less. Household income includes the incomes of all household members over the age of 15.

The typical Vermont household has seen its income inch up over 30 years Vermont median income, adjusted for inflation, 3-year average, 1987-2016*



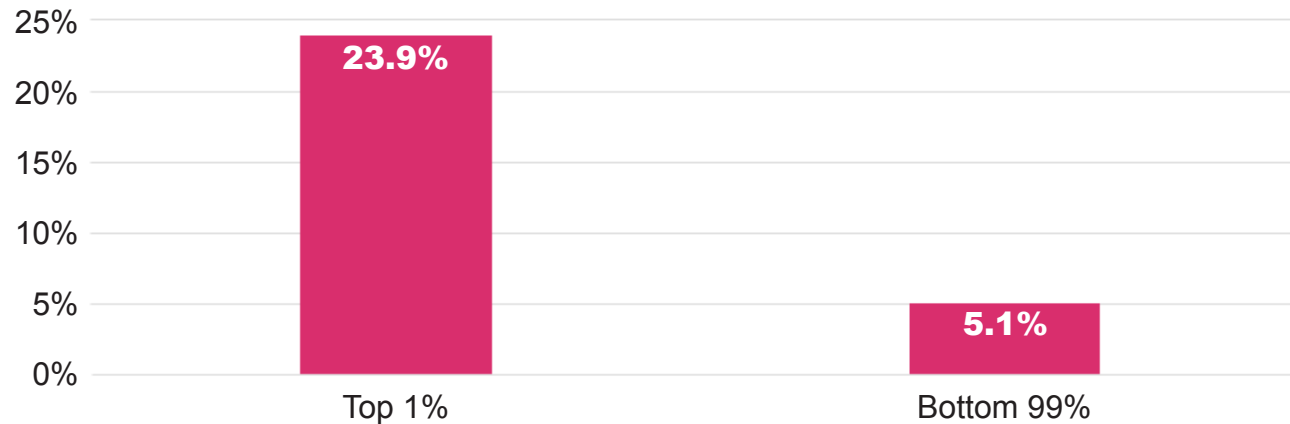
* The U.S. Census did not publish a 3-year average of median household income for 2012-2014 because it changed certain survey questions relating to income in 2013. The chart includes a constructed value for 2012-2014, which is the average of median household income for 2012, 2013 using both old and new survey questions, and 2014.

Data source: Economic Policy Institute analysis of Current Population Survey data
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The typical Vermont household has trouble making ends meet—let alone getting ahead—because incomes have grown slowly for decades. After accounting for inflation, for most of the last 10 years the median Vermont household has lived on less than it did in 2006. But even before 2000, when Vermont’s economy matched the relatively strong growth of the country, gains for the state overall barely trickled down to the median-income household. Without policy changes, economic growth will not benefit most Vermonters.

After the recession income grew faster at the top

Real income growth for the top 1% and the bottom 99%, 2009-2014



Source: Estelle Sommeiller, Mark Price, and Ellis Wazeter (2016), Income inequality in the U.S. by state, metropolitan area, and county. Economic Analysis Research Network (EARN) report. Tables and figures updated July 2017

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Analyses of federal income tax data for the last 100 years show that income distribution improved through the 20th century until the late 1970s. Since then, in Vermont and the U.S., the income gains have accrued to the wealthiest taxpayers. In Vermont the share of income going to the top 1 percent doubled from 7 percent in 1976 to 14 percent in 2015.¹

This is not a recent development. A 2007 study by the Federal Reserve Bank of Boston found that while Vermont's top-heavy income imbalance was less severe than in many other states, the state had the second-fastest growth in income inequality in the country between 1989 and 2004.² The Organization for Economic Co-operation and Development (OECD), which studies income inequality worldwide, has found that income inequality slows economic growth, reduces opportunities for individuals, and results in worse health outcomes.³

¹ Mark W. Frank, Frank-Sommeiller-Price Series, Annual Top Income Shares by U.S. State, 1917-2015, http://www.shsu.edu/eco_mwf/inequality.html

² https://www.bostonfed.org/-/media/Documents/cb/PDF/Gittell_Rudokas_New_%20England_income_gap.pdf

³ <http://www.oecd.org/social/inequality.htm>

TAXPAYER INCOME INEQUALITY

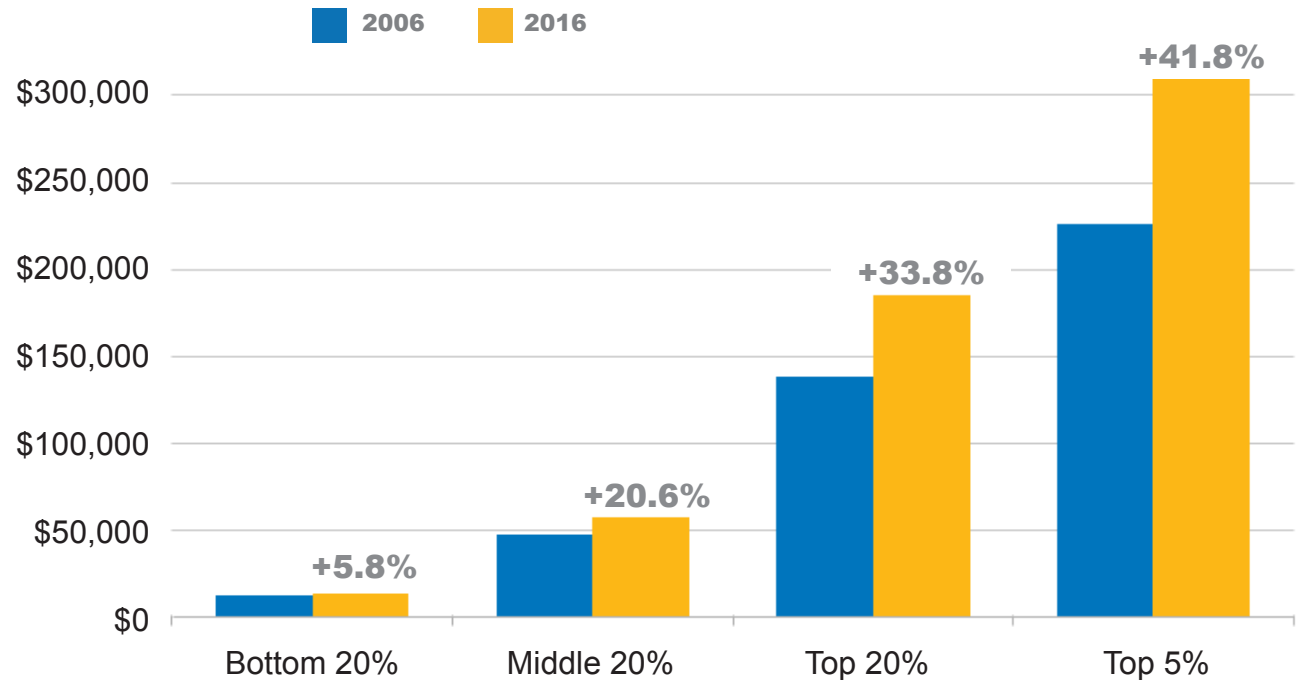
Taxpayer income inequality is the unequal distribution of individual incomes across the population of income tax filers. A large difference between those at the top and everyone else shows that prosperity is not being shared between owners or investors and the workers who contribute to increased productivity and wealth. The IRS compiles this information from taxpayer filings.

HOUSEHOLD INCOME INEQUALITY

Income inequality can be measured by average household income by quintile—the average annual income for each of five equal-size groups of households, from low to high. This information comes from the U.S. Census survey, which also tracks the top 5 percent of households.

Highest-income households reaped biggest gains

Change in average household income by income group, 2006 and 2016

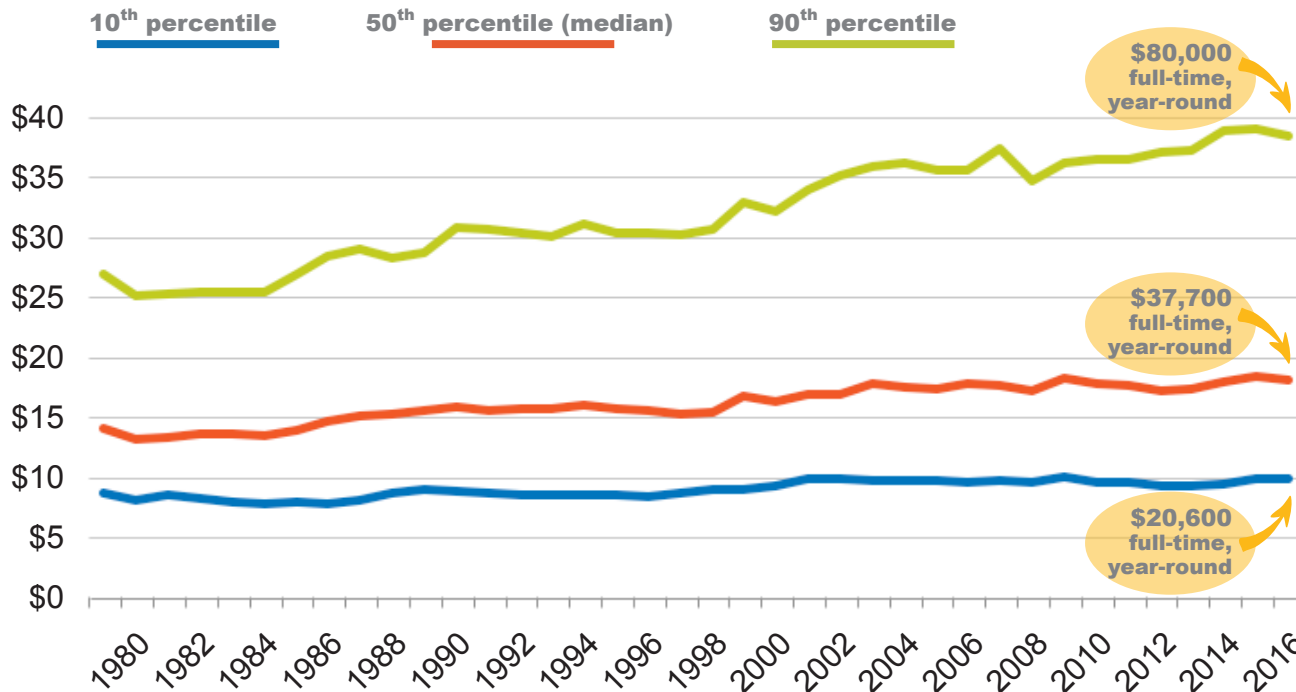


Data source: U.S. Census Bureau, American Community Survey, 2006 and 2016, 1-yr. estimates
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Census data for Vermont show that from 2006 to 2016 income growth skewed toward those at the top. For the top 5 percent, average nominal income (not inflation adjusted) rose nearly 42 percent—the third fastest among all the states. The bottom quintile saw only a 6 percent increase in average income over the same period. Put another way, annual incomes for those in the bottom quintile increased by \$700, while those for the top 5 percent increased by almost \$95,000 from 2006 to 2016. Contributing to this gap are the different kinds of income that households take in. For instance, unearned income—gains on capital investments—mostly goes to people whose income from work already puts them in the upper brackets.

High wages surged, low wages barely moved

Wages by selected deciles, adjusted for inflation, 1979-2016



Source: Economic Policy Institute analysis of Current Population Survey data
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Uneven wage growth contributes to income inequality. The 10th-percentile wage grew less than 3 percent, after adjusting for inflation, from 2006 through 2016, while the 90th-percentile wage grew more than 8 percent. In addition to wages, other kinds of income, such as investment dividends, drive inequality. But three-quarters of Vermont tax filers—those bringing in \$75,000 a year or less—rely primarily on salary and wages for their income. So increasing Vermont’s minimum wage would create a fairer distribution of economic gains.

HOURLY WAGES BY PERCENTILE

Hourly wage by percentile shows the share of workers making above or below a certain wage. At the 10th percentile, 10 percent of workers make less than that amount per hour and 90 percent make more. Each year the U.S. Census publishes hourly wages for selected percentiles. Tracking these levels over time indicates which workers are seeing their wages rise or fall.

PART 2 • FAMILY ECONOMIC SECURITY

Can Vermonters make ends meet?

SHARE OF FAMILIES MEETING BASIC NEEDS

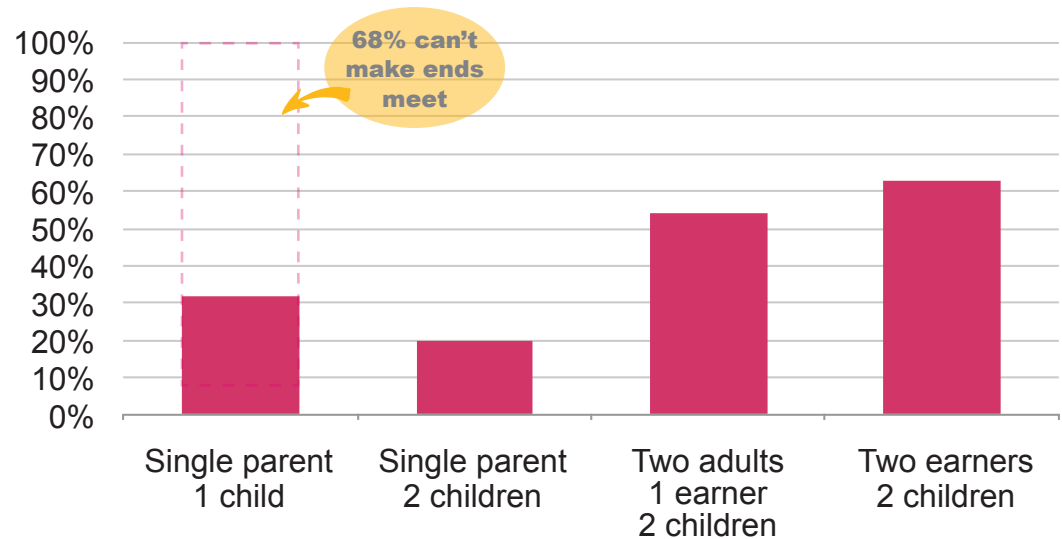
A basic needs income is the amount families need to pay for necessities like housing, food, transportation, and clothing. Every two years Vermont's Legislative Joint Fiscal Office publishes basic needs budgets according to family makeup and size.

Basic needs budgets 2017

	Urban	Rural
Single	\$36,693	\$32,785
Single parent w/ 1 child	\$61,351	\$52,225
Single parent w/ 2 children	\$79,374	\$67,647
Two adults, both working	\$56,318	\$52,057
Two adults (1 working) w/ 2 children	\$67,872	\$63,791
Two adults (both working) w/ 2 children	\$91,416	\$84,674

Single parents struggle the most to pay the bills

Percent of families with annual household income above a basic needs budget, by family type, 2016

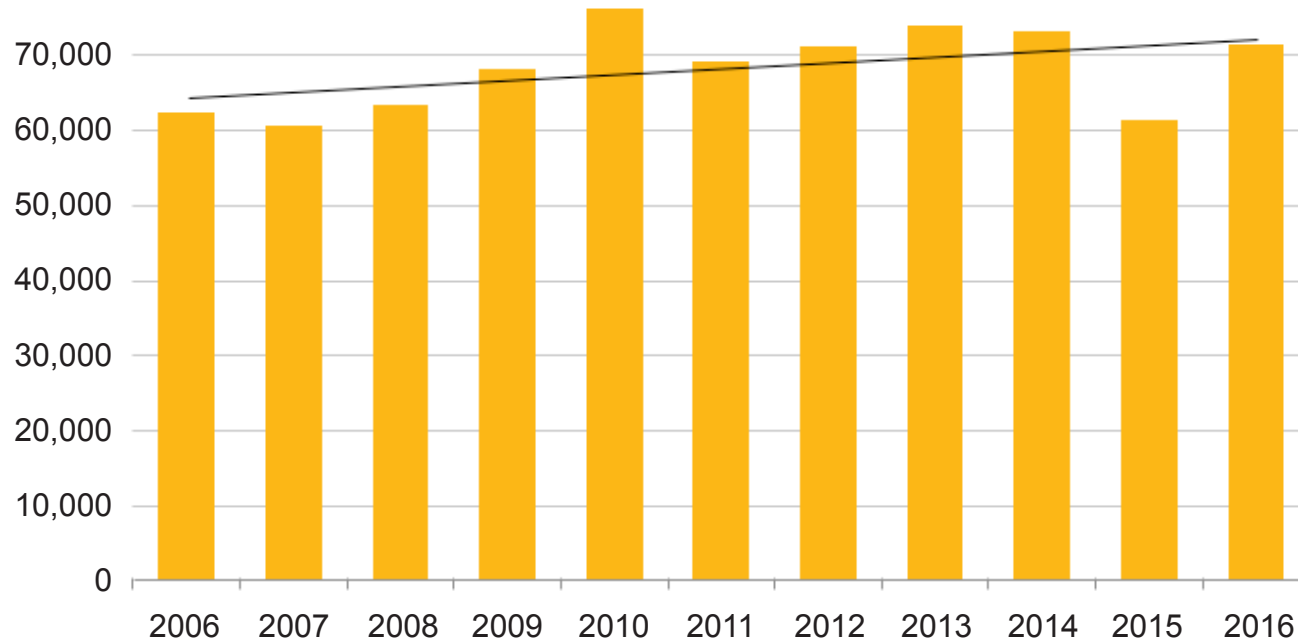


Data source: IPUMS-USA, University of Minnesota, 2014-2016 1-yr. samples
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In 2016 only 32 percent of single parents—mostly mothers—with one child had wages high enough to meet their basic needs. Among two-adult families with children, more than a third could not meet their basic needs, even when both adults worked. Some of these families qualified for state assistance. Of the single-parent families with income below basic needs levels, nearly 60 percent received health care through Medicaid, and approximately 50 percent got food stamps, known in the state as 3SquaresVT. It is important for Vermont to maintain a sturdy safety net. At the same time, it needs to lower barriers to work, such as lack of child care and transportation, and ensure that wages are high enough so that working people can support their families without state support.

1 in 9 Vermonters faced poverty in 2016, including 16,000 children

Vermonters living below poverty level, with trend line, 2006-2016



Data source: U.S. Census Bureau, American Community Survey, 1-yr. estimates, 2006-2016
 ©2017 Public Assets Institute

In 2016 Vermont was one of only four states where poverty increased: Its rate went from 10.2 percent to 11.9 percent, a rise of more than 11,000 people. While this is likely a correction from 2015, when the number dropped by a similar amount, the trend over the last decade is troubling: Poverty is on the rise in Vermont.

POVERTY RATE

The poverty rate is the share of the population living below the federal poverty threshold, determined by family size. The thresholds were established in 1963 and are updated each year. While the official measure has some limitations, over time it indicates changes in the share of Vermonters who are considered poor.

2016 Official Poverty Thresholds

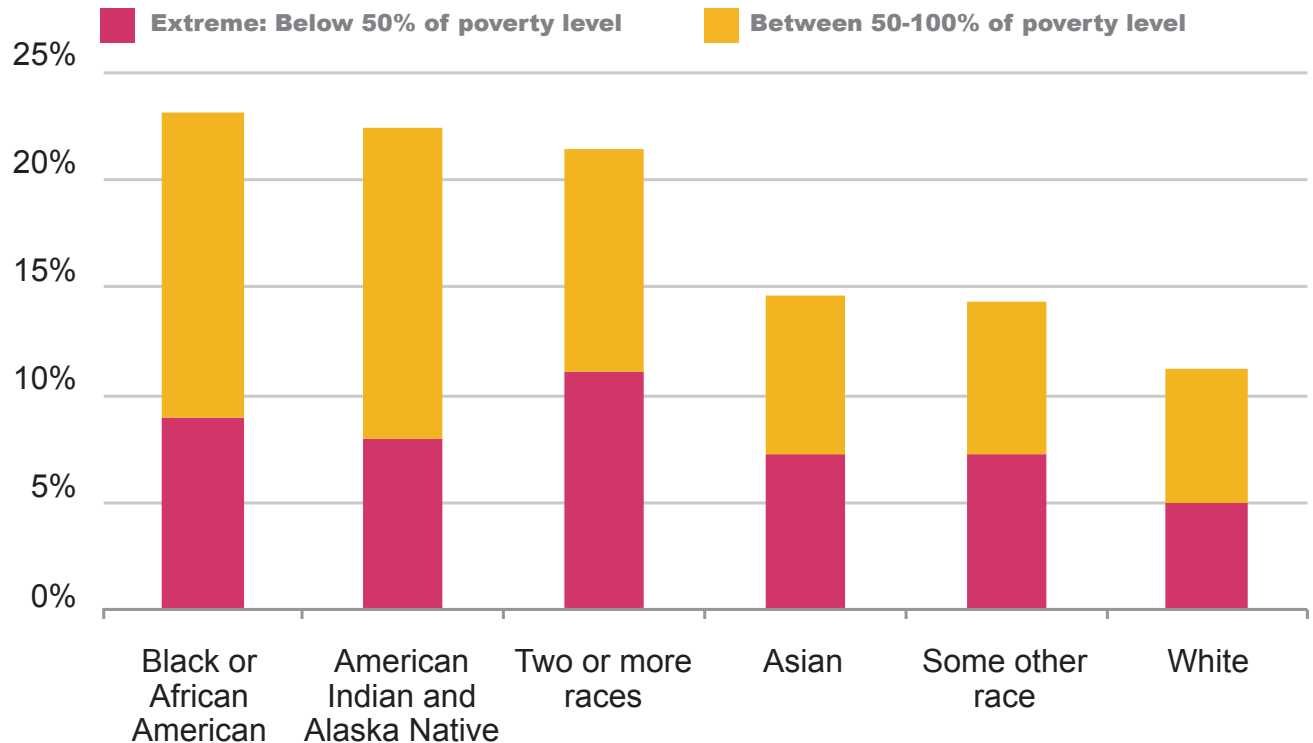
Size of family unit	Weighted average threshold
One person:	\$12,228
Under age 65	\$12,486
Age 65+	\$11,511
Two people:	\$15,569
Under age 65	\$16,151
Age 65+	\$14,522
Three people	\$19,105
Four people	\$24,563

POVERTY RATE BY RACE

The U.S. Census tracks poverty by demographic group, including race. Because the number of Vermonters of color is relatively small, five-year estimates—based on surveys collected over five years and therefore representing a larger population sample—provide a more reliable picture of the differences.

Vermonters of color are disproportionately poor

Extreme poverty and poverty rates by race, 2016

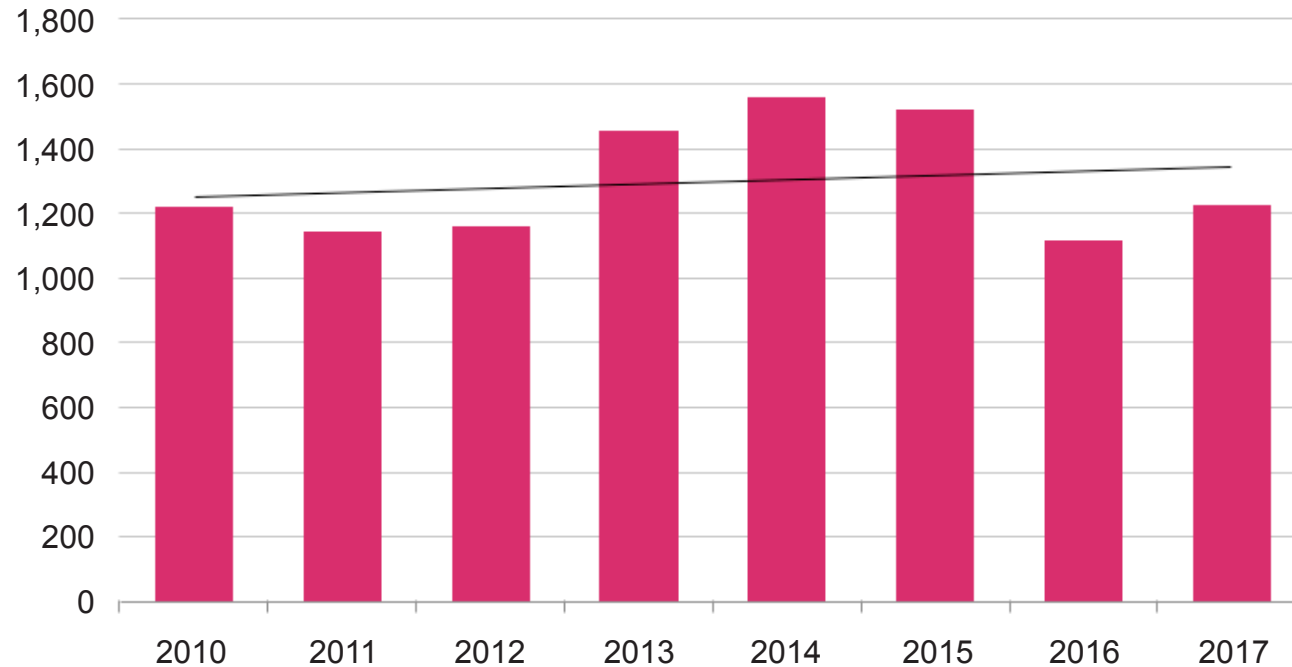


Data source: U.S. Census Bureau, 2012-2016 American Community Survey 5-yr. estimates
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Vermonters of color face higher rates of poverty than white Vermonters. In the 2012-2016 estimates, black Vermonters were more than twice as likely to live in poverty as white residents. People of two or more races had the highest rate of extreme poverty, defined as living below 50 percent of the poverty threshold. Under Vermont law, the purpose of fiscal policies is to “address the needs” and “promote [the] economic well-being” of all Vermonters. To make good on this promise, the state needs to remove structural and social barriers to its residents of color.

More than 1,200 Vermonters were homeless in 2017

Point-in-time count of homeless, statewide, with trend line, 2010-2017



Data source: Vermont Coalition to End Homelessness; Chittenden County Homeless Alliance
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In 2017 more than 1,200 Vermonters had no homes. The count was up slightly over the prior year, though still below the 2014 peak. Much of the decline came in Chittenden County, which has added shelter beds and support services in an effort to address chronic homelessness. This problem is not intractable. Investments in permanent affordable housing and public services can succeed in keeping all Vermonters housed.

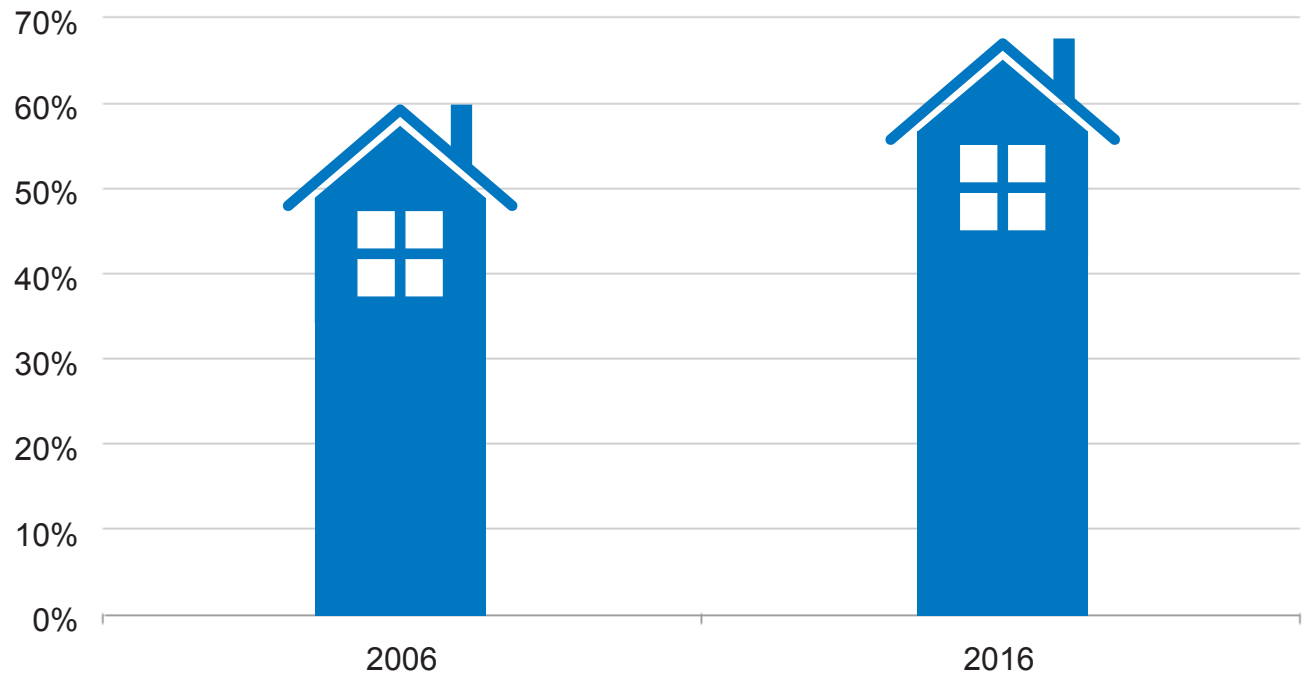
POINT-IN-TIME HOMELESS COUNT

The point-in-time homeless count is a measure of homelessness based on a census taken each year on a single night in January. Vermont housing organizations conduct the survey using methods established by the U.S. Department of Housing and Urban Development.

HOUSING AFFORDABILITY

Housing affordability is a measure of the percentage of income households spend on housing. The U.S. Department of Housing and Urban Development has determined that housing that costs more than 30 percent of household income is deemed unaffordable.

More low- and middle-income Vermonters are living in unaffordable housing Percent of Vermonters with household incomes under \$50,000 and housing costs above 30% of income, 2006 and 2016

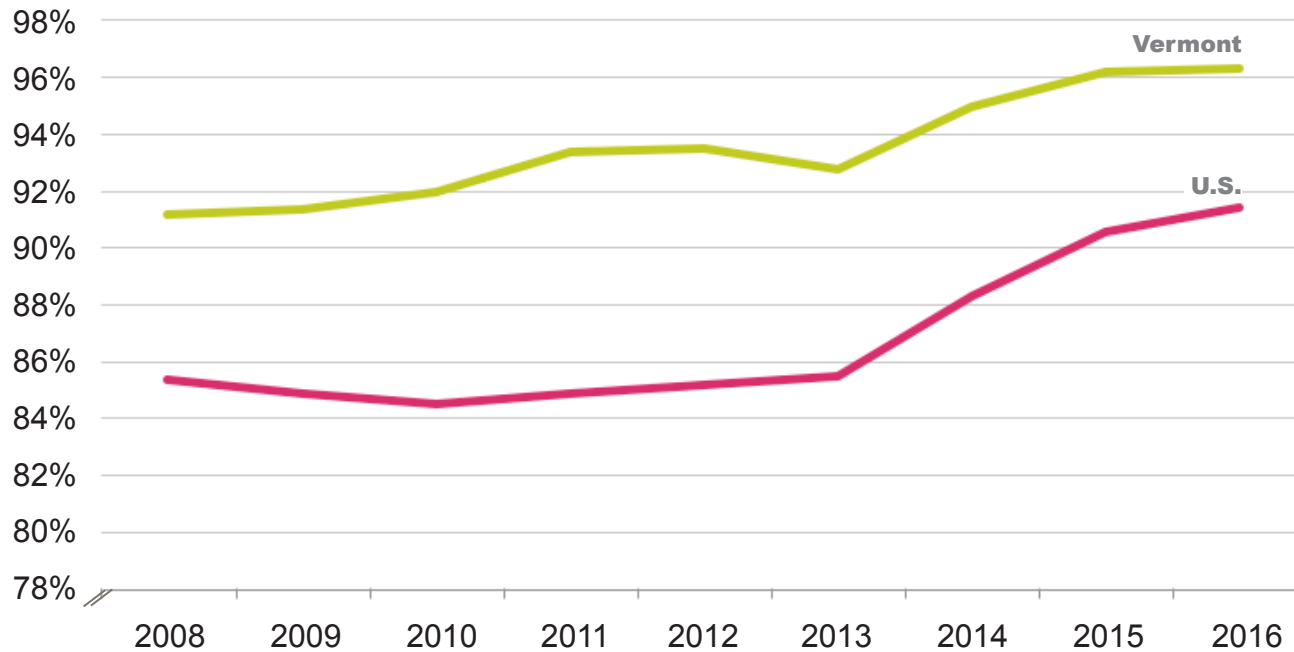


Data source: U.S. Census Bureau, 2016 American Community Survey 1-yr. estimates
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Between 2006 and 2016 Vermont saw an increase in the share of households with incomes less than \$50,000 whose housing qualified as unaffordable—costing more than 30 percent of income. Behind this figure is both the sluggish growth in income and the increase in the cost of housing. The discrepancy between money coming in and money going out in rent or mortgage payments leaves families with fewer resources for other basics and points to Vermont’s need to increase investment in affordable housing.

Almost all Vermonters have health insurance

Percent of population with health insurance, 2008-2016



Data source: U.S. Census Bureau, 2016 American Community Survey 1-yr. estimates
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HEALTH INSURANCE COVERAGE

Health insurance coverage is the percentage of the population with either publicly funded or private health insurance. The U.S. Census has been tracking coverage since 2008.

The share of Vermonters with health insurance coverage has increased sharply since 2008, thanks to Vermont's expansions of Medicaid and policies aimed at insuring all children. Vermont has consistently had one of the lowest uninsured populations in the country. While this indicator is clearly pointing in the right direction for now, it will be important to track coverage in the wake of efforts in Washington to dismantle the Affordable Care Act. Having coverage is critical, but it is only part of the picture. The 2014 Vermont Household Health Insurance Survey found that 27 percent of Vermonters with private insurance were considered underinsured, meaning their deductible or out-of-pocket expenses were unaffordable.

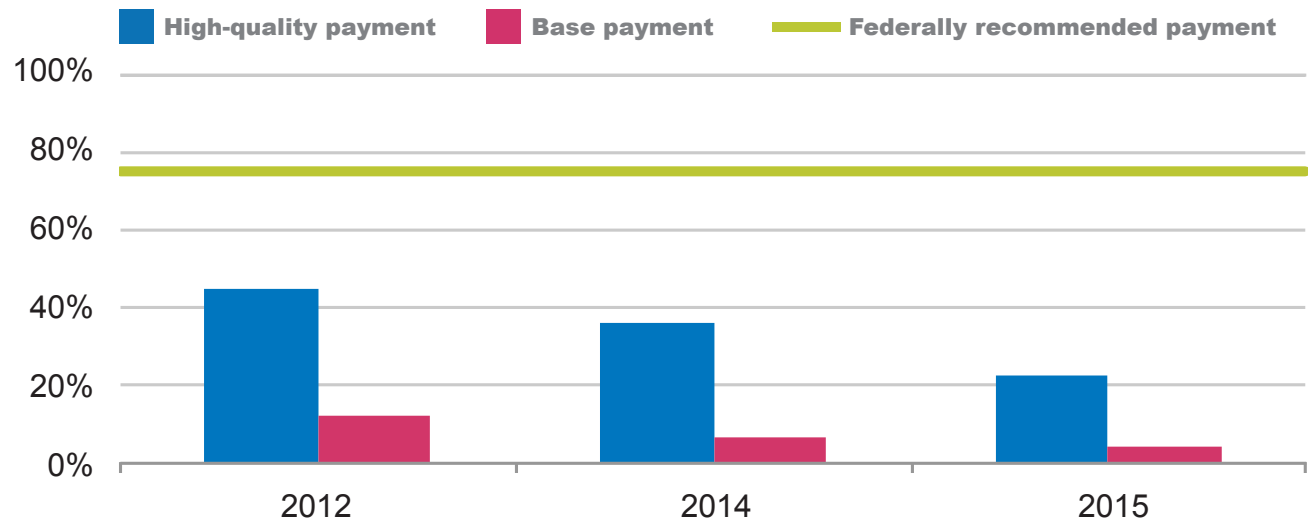
ACCESS TO CHILD CARE

Access to child care is measured as the percentage of child care facilities low-income families can afford with state subsidies. Vermont's Child Care Financial Assistance Program (CCFAP) pays subsidies based on a quality rating system.** The U.S. Department of Health and Human Services recommends that assistance be sufficient to allow low-income families access to 75 percent of the child care market.

**The Vermont Department for Children and Families uses the Step Ahead Recognition System (STARS) for recognizing and improving quality in regulated child care programs. Providers can earn up to 5 stars. The more stars a provider has, the higher the state payment.

Access to child care is decreasing

Share of the child care market affordable with state assistance, 2012-2015*



* The DCF Market Rate Survey is conducted every two years. It took place in even years from 2006 to 2014 and changed to odd years beginning in 2015.

Data source: Vermont Department for Children and Families
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Affordable, accessible child care benefits both families and employers. Parents who cannot find or afford care have difficulty working; employers are deprived of workers. Because child care is such a big expense, some families are forced to cut back on other basics, such as food or health care. Since 2012 the share of the market that families can access has been shrinking at both the four-star, or higher, level and the base level. In 2015, even the four-star payment allowed access to only 23 percent of the market, well below the 75 percent standard set by the federal government. While child care facilities may be raising rates because of the slow growth in state assistance, the widening gap between what the state pays and what the market charges means costs are being shifted onto families and providers.

Vermonters still need help putting food on the table

3SquaresVT recipients, annual average, 2006-2016



Data source: Vermont Department for Children and Families
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One in eight Vermonters needed food assistance in 2016. During the Great Recession eligibility was expanded and the minimum benefit increased, which drove up participation. While participation in 3SquaresVT has declined for three years in a row, in 2016 it remained well above pre-recession levels: 20,000 more Vermonters needed assistance than in 2008. Because anyone who is eligible receives the benefit and the income eligibility level is higher than for other programs, this is a broader measure of need than many other indicators. The continued high rate of participation in 3SquaresVT indicates the lingering effects of the recession seven years after it officially ended.

3SQUARES VT PARTICIPATION

3SquaresVT participation is the number of individuals who receive benefits through the federal Supplemental Nutrition Assistance Program (SNAP), called 3SquaresVT in Vermont. The program provides food assistance to Vermonters with incomes up to 185 percent of federal poverty guidelines.

PART 3 • JOBS, EMPLOYMENT, and LABOR FORCE

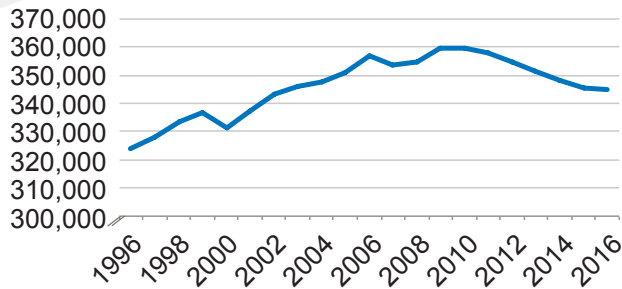
How is the job market for Vermonters, and who is working?

LABOR FORCE

The labor force is a count of people 16 and over available to work. It includes people employed—payroll workers as well as self-employed—and those officially unemployed, which means they're out of work and actively looking for a job.

Vermont's labor force is still below its pre-recession peak

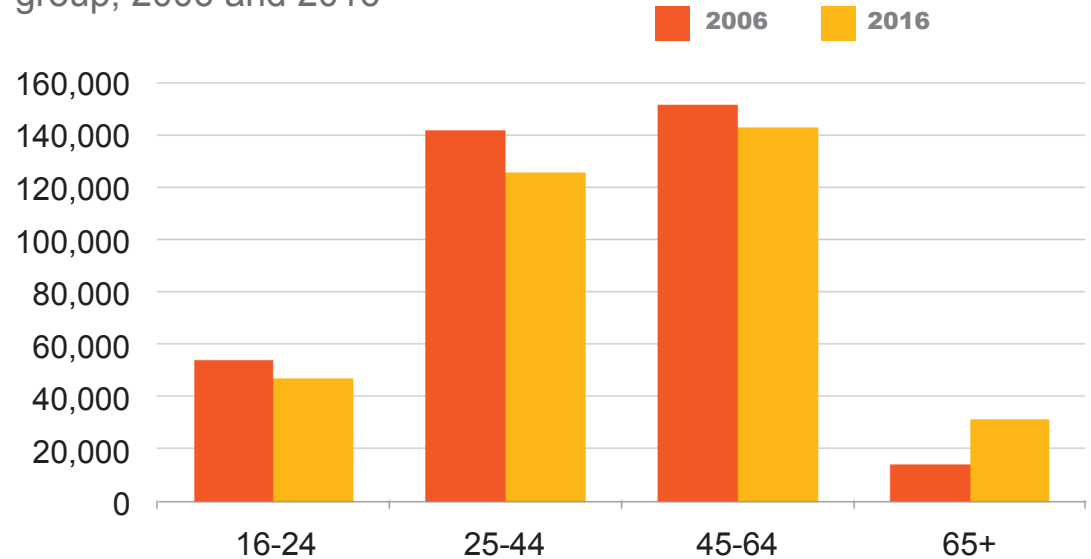
Average annual size of Vermont's labor force, 1996-2016



Source: Vermont Department of Labor
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Vermont's workforce has shrunk in all age groups except seniors

Vermont labor force by age group, 2006 and 2016

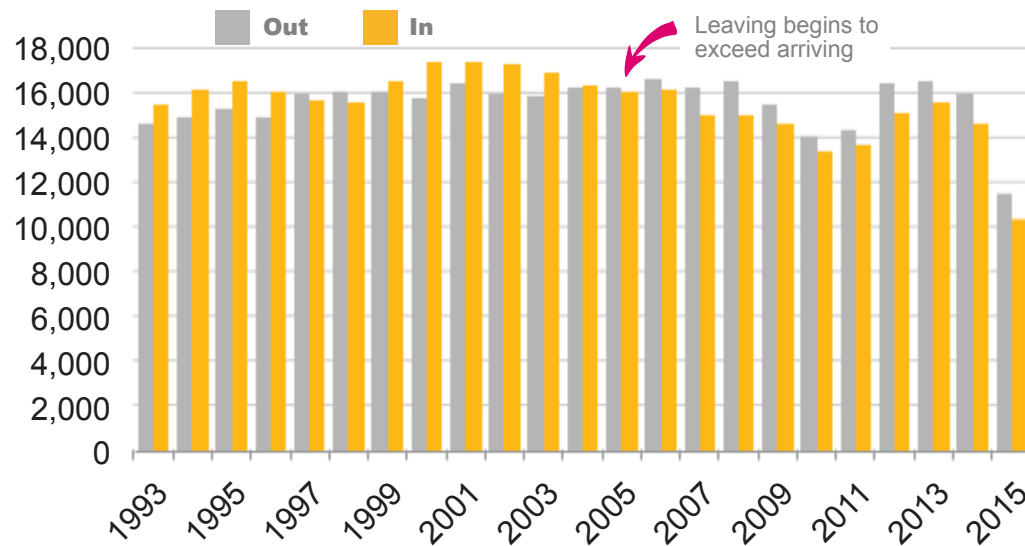


Data source: U.S. Bureau of Labor Statistics
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Vermont's labor force—those working or actively seeking work—shrank during the Great Recession and did not recover; by 2016, seven years after the official end of the recession, the workforce remained below its pre-recession level. The labor force has declined in all age brackets except the oldest, 65 and over. While Vermont's aging population is driving some of the overall reduction, the labor force participation rate is also declining for workers ages 25 to 54. The low unemployment rate suggests that jobs are available, but it may be that wages are too low to attract certain workers.

Annual migration has changed little

People* moving in and moving out of Vermont, 1993-2015



* IRS migration data include total exemptions claimed on personal income tax returns, which serve as a proxy for number of people.

Data source: IRS Statistics of Income

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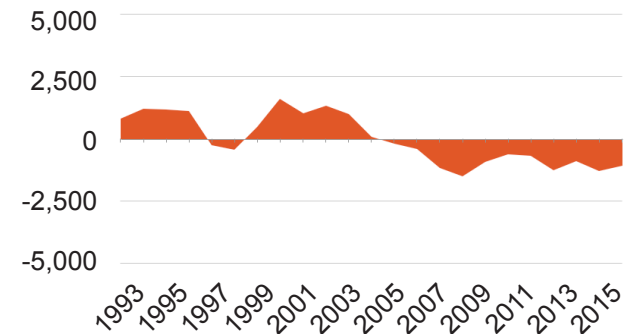
The flow of migrants in and out of Vermont has been pretty even since the IRS started publishing this information more than 20 years ago. Roughly 15,000 to 16,000 people come and go each year (the apparent drop in 2015 is probably a data collection problem rather than a real change). Until the mid-2000s migration generally produced a net gain in Vermont. However, for the last 10 years people leaving the state have slightly outnumbered newcomers. Although the net change is a relatively small percentage of the population, any loss of workers makes things harder for employers in Vermont’s tight labor market.

ANNUAL MIGRATION

Migration data from the IRS show the flow of people and personal income into and out of Vermont. The IRS tracks tax return addresses each year and publishes aggregate data by state on the number of filers moving in and moving out, exemptions claimed, and the amount of their adjusted gross income.

Vermonters leaving the state outnumber new arrivals

Annual net change in people* migrating to and from Vermont, 1993-2015



Data source: IRS Statistics of Income

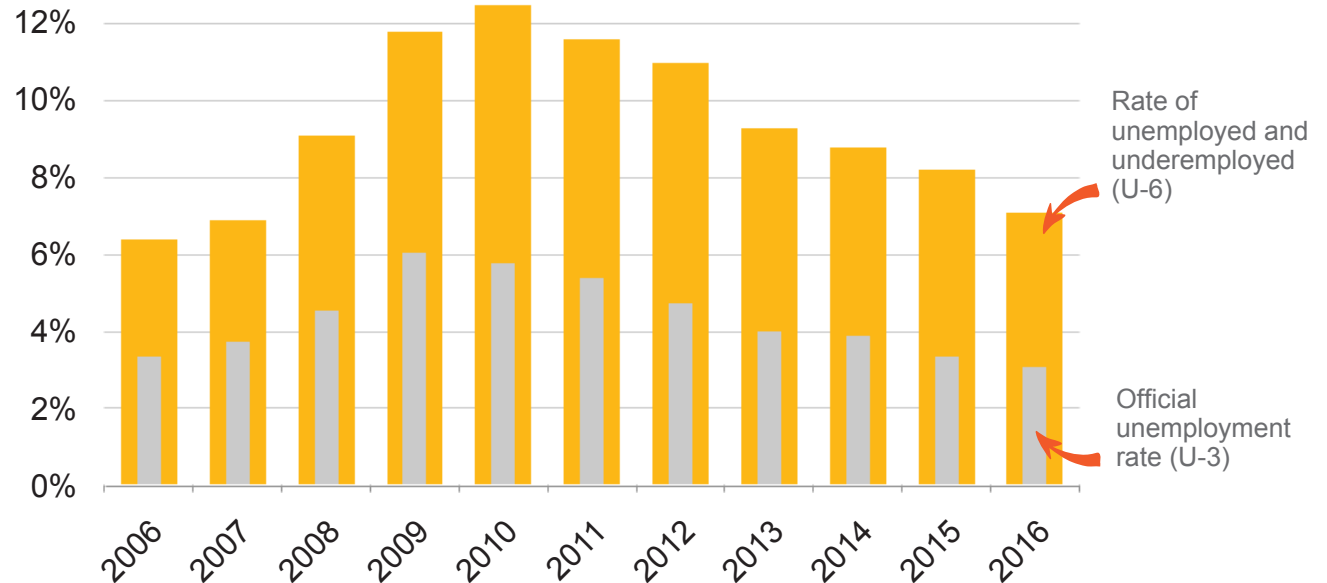
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PERCENTAGE OF VERMONTERS UNEMPLOYED, UNDEREMPLOYED, OR DISCOURAGED

The broadest measure of unemployment, U-6, includes workers who have stopped looking for work (the discouraged), those working part time who want full-time work (the underemployed), and the unemployed workers included in the official rate, U-3, which represents only jobless individuals who have looked for work in the preceding four weeks.

The broadest measure of unemployment is still high

Average annual rates of U-3 and U-6 unemployment, 2006-2016

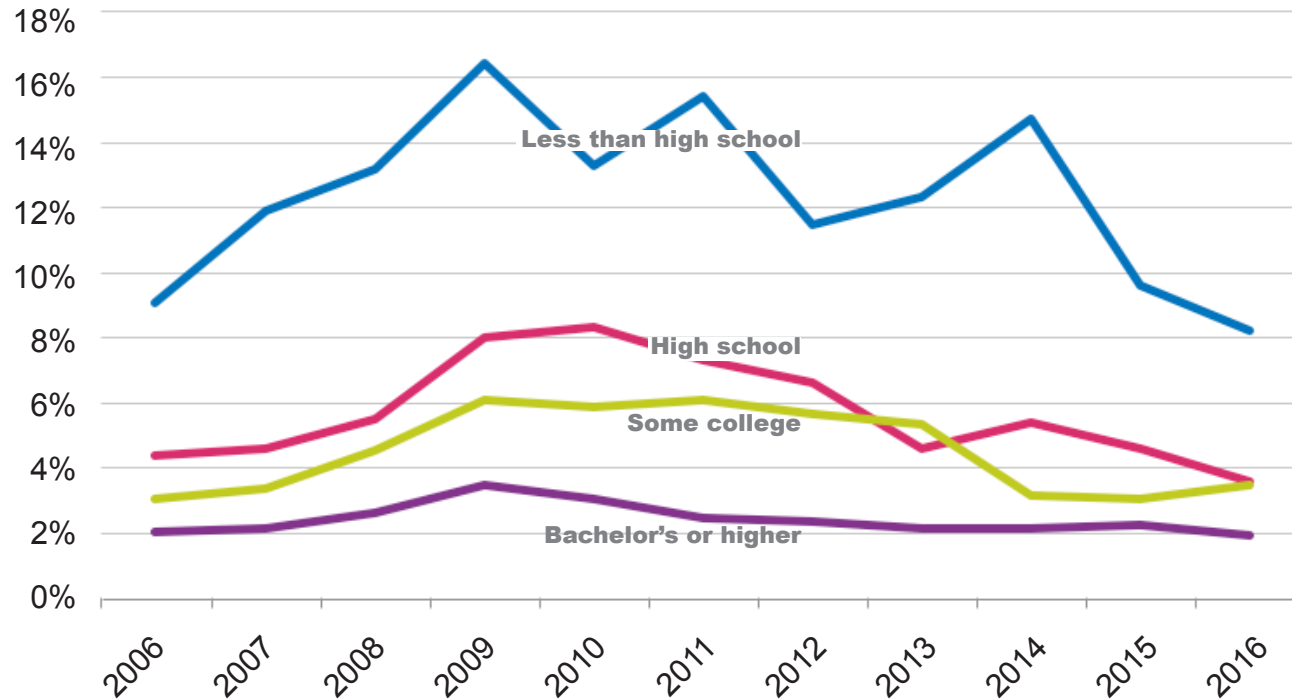


Data source: U.S. Bureau of Labor Statistics
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During and immediately after the Great Recession, over 10 percent of the Vermont labor force had no job, wanted more work than they had, or were unemployed for long periods and had given up looking for work. While that measure (U-6) fell to 7 percent in 2016, it remained above pre-recession levels. Although both the official (U-3) and U-6 rates in Vermont have stayed well below the national averages, the broader measure indicates there are still more than 24,000 Vermonters who are not satisfied with their work situations.

More education means less unemployment

Unemployment rate by educational attainment, 2006-2016



UNEMPLOYMENT RATE BY EDUCATION LEVEL

There is a positive correlation between education and employment. Statistically, the employment rate is higher among people with higher levels of educational attainment, while unemployment is higher for those with less education.

Source: Economic Policy Institute analysis of Current Population Survey data
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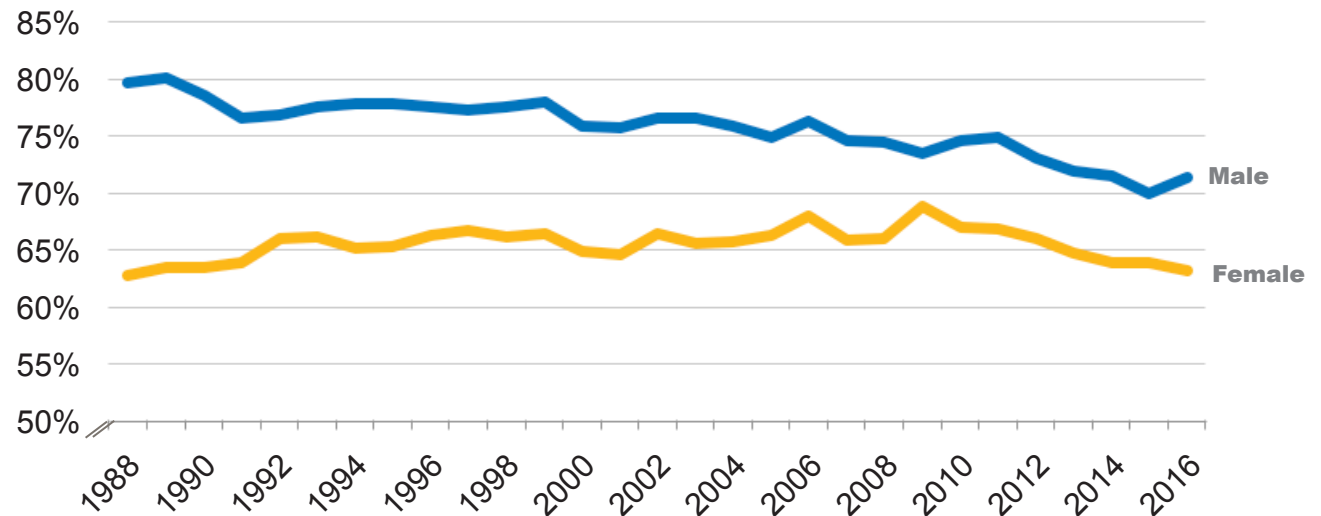
In good economic times and bad, Vermonters who did not finish high school fared worse in the job market than those with high school diplomas; high school dropouts were more than four times as likely to be out of work during the Great Recession as those with college degrees. Vermonters with college degrees consistently fare best. Over the last decade, their unemployment rate stayed well below the state average. The relationship between education and employment, which is only growing stronger, has implications for both education and economic development policies.

LABOR FORCE PARTICIPATION RATE BY SEX

The labor force participation rate measures the share of the civilian population over 16 and not residing in an institution such as a prison that is employed or officially unemployed. While some people cannot work and others choose not to, the labor force participation rate indicates how much of the population is connected to the labor market and how well the economy is generating employment.

Women's workforce participation dropped, men's rebounded slightly

Vermonters in the labor force as a percentage of the population, by sex, 1988-2016



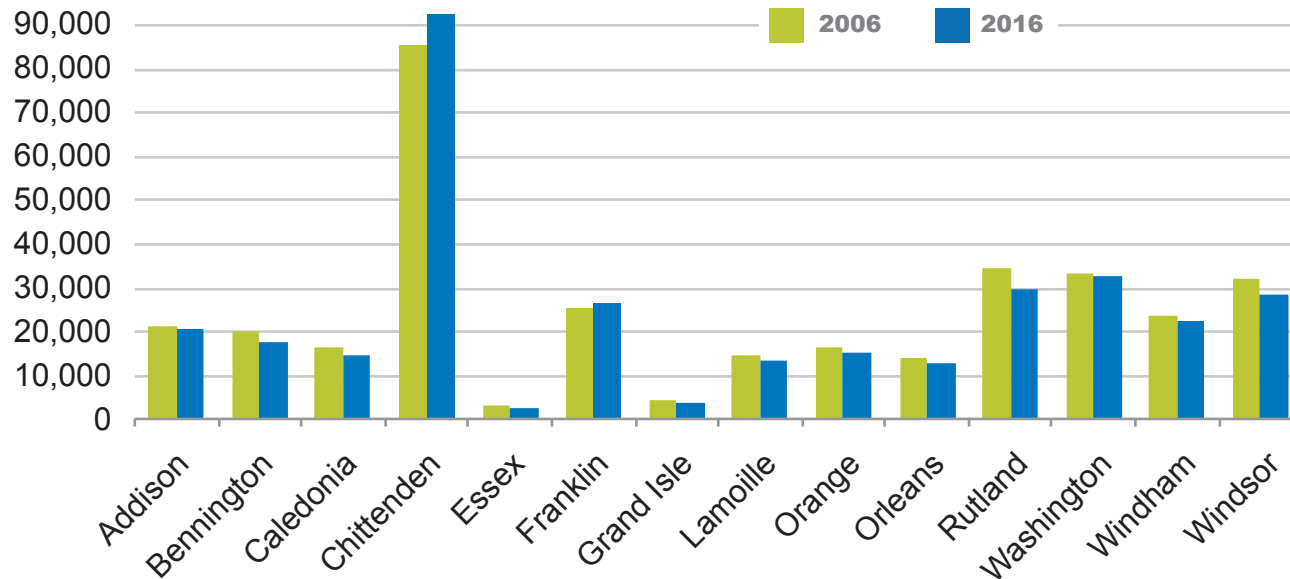
Source: Economic Policy Institute analysis of Current Population Survey data
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The labor force participation rate has followed different paths for women and men. Women's participation had been increasing for the 20 years leading up to the Great Recession but has since fallen off. The rate for men ticked up in 2016, after declining steadily for 30 years. A declining labor force participation rate means that a smaller share of the population is working or actively looking for work. More men than women were jobless during the Great Recession, and not all of them have found their way back to work during the recovery. This is partly because the sectors losing the most jobs—such as manufacturing and construction—were predominantly male, but the recent declines for both genders may point to a decrease in opportunities across sectors. Recent research suggests that increasing eldercare responsibilities may also account for some dropoff in women working.⁴

4 <https://www.nytimes.com/2017/12/19/business/economy/women-work-elder-care.html>

Employment dropped in most counties in the last 10 years

Number of Vermonters employed by county of residence, 2006 and 2016



Data source: Vermont Department of Labor
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From 2006 to 2016 the number of Vermonters employed dropped in every county except Chittenden and Franklin. Those two counties employed over 8,300 more people in 2016, while the rest of the state employed 18,000 fewer. Because Chittenden County often follows different patterns than the rest of the state, its growth can obscure falling employment in other counties. This uneven distribution of opportunity has become more pronounced, so the public policy challenge is to figure out how to encourage job growth in smaller cities and towns.

COUNTY EMPLOYMENT

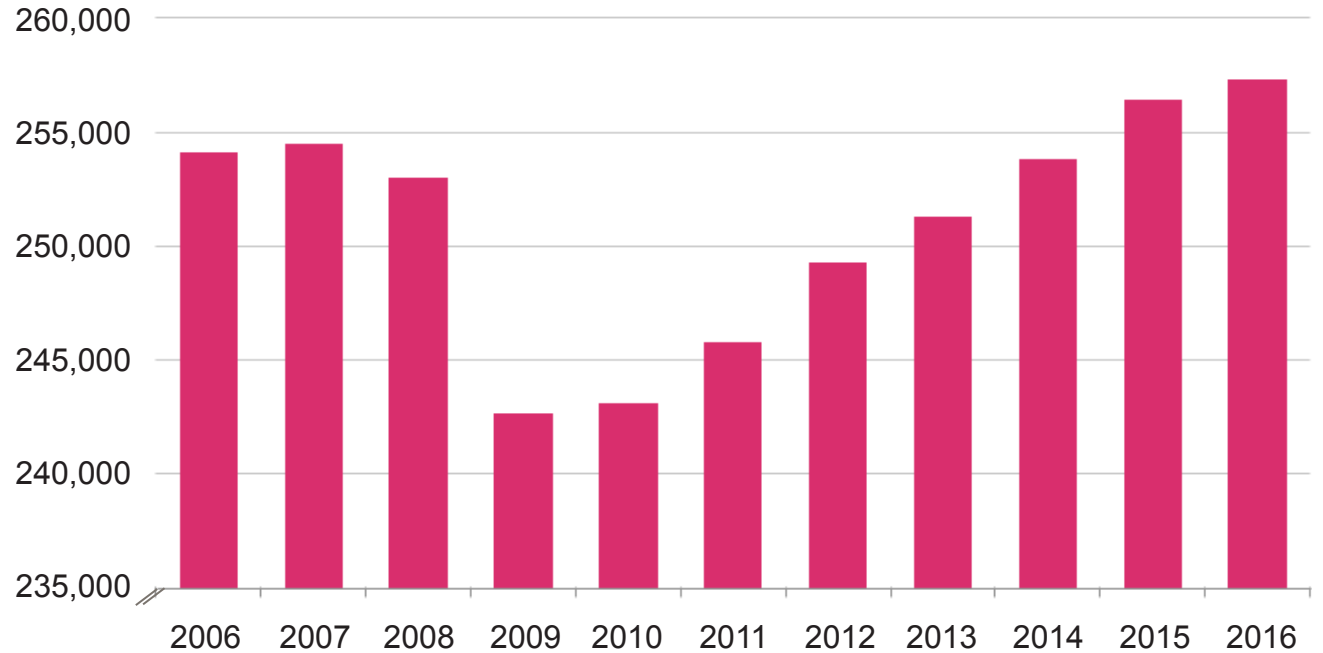
County employment is the number of people working, by county of residence, including farmworkers and the self-employed. The Vermont Department of Labor, in conjunction with the U.S. Bureau of Labor Statistics, publishes labor force data at the county level, which reveal regional differences within the state.

PRIVATE SECTOR JOBS

The number of private sector jobs is collected through a survey of businesses. The survey is conducted by the U.S. Bureau of Labor Statistics with the Vermont Department of Labor.

Jobs are just recovering from the Great Recession

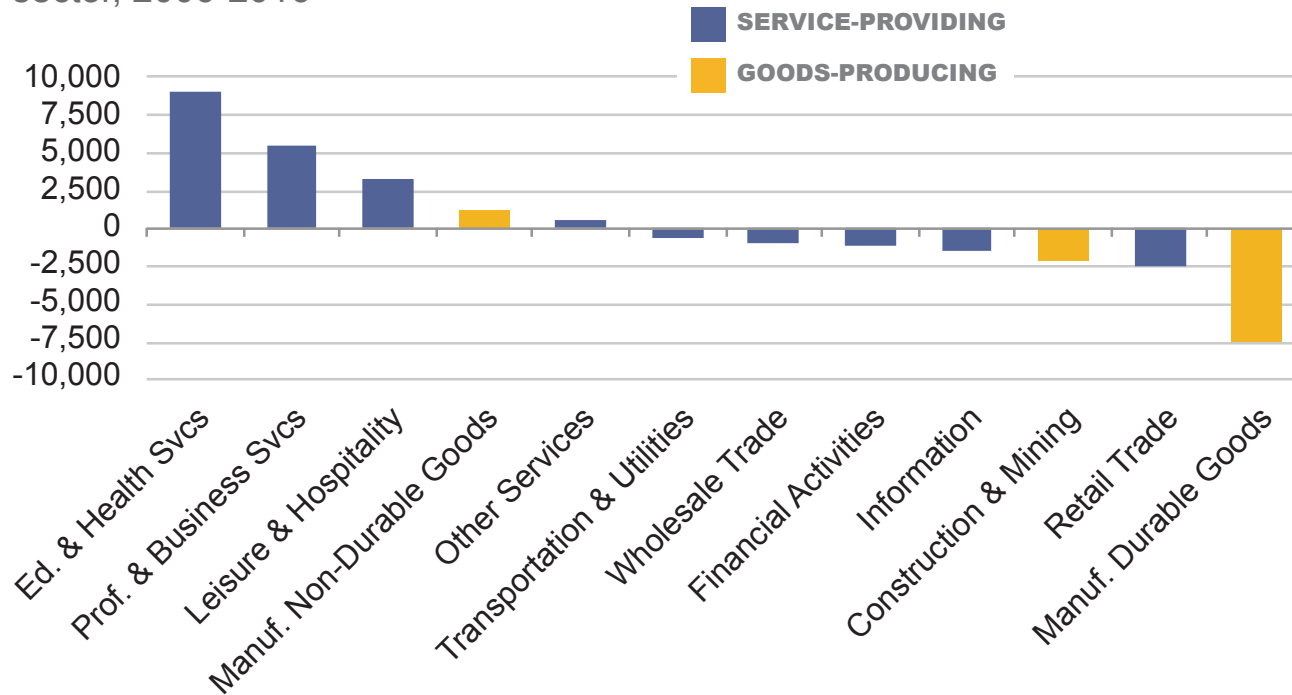
Private sector jobs, annual average, 2006-2016



Data source: Vermont Department of Labor
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The number of private sector jobs climbed above the pre-recession level in 2015, and 2016 saw additional growth—a net gain of 3,200 jobs over the decade. In the prior decade, from 1996 to 2006, Vermont added nearly 25,000 jobs. The recent slow growth reflects an economy still sluggish in many places.

New jobs cluster in the service sector Change in jobs by sector, 2006-2016



JOBS BY INDUSTRY SECTOR

The U.S. Bureau of Labor Statistics works with the Vermont Department of Labor to track the number, provided by employers, of nonfarm payroll jobs by industry sector.

Data source: Vermont Department of Labor
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Since 1990 the share of goods-producing jobs has dropped while the share of service jobs has increased, both in Vermont and the rest of the country. Most of the jobs added in the last decade have been in the service sector. Since 2006 Vermont added 13,800 net service jobs and lost 8,400 net goods-producing jobs. While most of those jobs were lost during the recession, they have not returned as of 2016. Manufacturing fields employ more men, so the shift in the types of jobs available may help explain the higher unemployment rates for men and the decline in their labor force participation.⁵

⁵ <https://www.theatlantic.com/business/archive/2017/05/men-in-nursing/526623/>

Glossary

Adjusted for inflation: Dollar amounts are adjusted for inflation to reflect their equivalent value over time. For example, \$1 in 1977, adjusted for inflation, would be worth \$3.55 in 2016. Amounts are adjusted for inflation in this report by using the Consumer Price Index-Urban-Research Series (CPI-U-RS). The exception is the gross state product, which is adjusted based on the quantity index from the U.S. Bureau of Economic Analysis.

Decile: One of 10 equal groups into which a population is divided based on a particular variable.

Employment: The total number of people working, including farmworkers and the self-employed, as reported in a monthly survey of households by the U.S. Bureau of Labor Statistics.

Family: A group of two or more people who reside together and are related by birth, marriage, or adoption.

Gross state product (GSP): The market value of goods and services produced in a state. GSP is a main indicator of economic growth.

Household: All the people who occupy a housing unit as their usual place of residence.

Jobs: Nonfarm payroll jobs reported in a monthly survey of employers by the U.S. Bureau of Labor Statistics.

Labor force: The number of people employed plus the number of unemployed, as measured by U-3.

Median: In statistics, the middle value of a set of numbers or data points: Half the figures fall below the median and half above. For example, median income is the point at which one half of incomes are greater and the other half are smaller.

Nominal: Not adjusted for inflation.

Percentile: One-one-hundredth of a population, used to express the distribution of wages, wealth, test scores, or other data. For example, if you score in the 25th percentile on an exam, then 25 percent of test takers got a score below yours and 75 percent got a better score.

Poverty: A measure defined by the set of money income thresholds, varying by family size and composition, updated annually by the U.S. Census. These are used to determine the poverty rate. They are close but not identical to the poverty guidelines established by the U.S. Department of Health and Human Services on which eligibility for aid programs is based.

Progressive tax: A tax in which the rate increases as income increases.

Quintile: One of five equal groups into which a population is divided based on a particular variable.

Real: Adjusted for inflation.

Recession: A significant decline in activity across the economy, lasting longer than a few months. The technical indicator of a recession is two consecutive quarters (six months) of negative economic growth as measured by a country's gross domestic product (GDP).

Regressive tax: A tax in which the rate decreases as income increases.

Unemployed: Workers are classified as unemployed if they do not have a job, have actively looked for work in the prior four weeks, and are currently available for work.

U-3: Total unemployed, as a percent of the civilian labor force (official unemployment rate).

U-6: Total unemployed (U-3), plus all persons marginally attached to the labor force, plus total employed part time for economic reasons, as a percent of the civilian labor force plus all persons marginally attached to the labor force.

**State of Working Vermont
2017**



PUBLIC ASSETS
INSTITUTE

PO Box 942
Montpelier, VT 05842
802-223-6677
www.publicassets.org

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