Introduction

The 2020 COVID pandemic had profound impacts on Vermont's labor force. While many of the impacts were transitory and returned to status quo as the pandemic faded, in other ways the labor force is still significantly impacted. In this edition of Kevin's Corner we review the evolution of a range of labor force indicators from prior to the pandemic until now. In order to see underlying trends, much of the review will include data from the decade prior to the pandemic as well.

Sources

This review relies on data from the Current Population Survey, the Local Area Unemployment Statistics Program and the Job Openings and Labor Turnover Survey.

The Current Population Survey (CPS) is the primary source of US and labor force demographic data. Approximately 59,000 households are surveyed by the US Census Bureau each month to generate information on employment, earnings, education and a range of related items. More information about the CPS can be found here.

Local Area Unemployment Statistics (LAUS) is a program of the Economic & Labor Market Information Division in cooperation with 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 employed and unemployed Vermonters (combined, Vermont's labor force). Vermont's 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. Estimates are seasonally adjusted. National and state level data from the program can be found here.

Changes in Labor Force Size

Vermont's labor force is defined as the sum of employed Vermonters and unemployed Vermonters. An unemployed person is someone who is willing and able to work, did not work during the week of the 12th last month and has actively sought work in the past four weeks. August of 2019 Vermont's labor force stood at 352,612. This was about 2.0% smaller than the labor force peak in 2009 and 2010. In August of 2023 that figure had fallen another 1.2% to 348,297.

The pandemic-era low was in November of 2020 when the labor force was 331,630. The labor force has increased in thirty one of the thirty-three months since that low. See Table 1.

Table 1: Vermont Labor Force

Year	Month	Labor Force	% change from 2010
2023	Aug	348,297	-3.2%
2020*	Nov*	331,630	-7.8%
2019	Aug	352,612	-2.0%
2010	Aug	359,635	-

**Pandemic-era minimum*

Changes in Labor Force by County

All fourteen Vermont counties experienced a decline in the size of their labor force between 2019 and 2022. On a percentage basis the largest declines were in Windham County which fell 1,419 (-6.3%) between 2019 and 2022. This decline exacerbated large declines (-2,816 or -11.1%) in the preceding decade.

Bennington County lost 5.6% (-1,046) between 2019 and 2022 after losing 8.2% (-1,677) between 2010 and 2019. Rutland County lost

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5.0% (-1,555) during the pandemic on top of a 6.7% (-2,244) decline in the previous decade. The next largest losses were in Washington County (-4.5% or -1,602) which was one of only four counties to gain workers in the preceding decade.

The smallest percentage losses in labor force during the pandemic were in Addison County with a decline of 337 (-1.6%), similar to Caledonia which lost 242 (also -1.6%). It's interesting to note that in the previous decade Addison had only lost 0.2% of its labor force (-52) while Caledonia declined by 11.4% (-1,922), the second largest loss in the state.

Table 2: Change in Labor Force by County, Annual Average

County	2022 Labor Force	2019 - 2022	
		Change	% Change
Addison County	20,868	-337	-1.6%
Bennington County	17,636	-1,046	-5.6%
Caledonia County	14,641	-242	-1.6%
Chittenden County	97,153	-2,430	-2.4%
Essex County	2,679	-74	-2.7%
Franklin County	27,723	-580	-2.0%
Grand Isle County	4,127	-142	-3.3%
Lamoille County	14,058	-297	-2.1%
Orange County	15,762	-667	-4.1%
Orleans County	13,347	-310	-2.3%
Rutland County	29,836	-1,555	-5.0%
Washington County	33,906	-1,602	-4.5%
Windham County	21,221	-1,419	-6.3%
Windsor County	29,164	-681	-2.3%

Franklin County recorded the next smallest decline at -2.0% (-580) Windsor County's labor force declined by 2.3% (-681) after declines of 6.5% (-2,068) in the previous decade. Chittenden County's labor force grew the most between 2010 and 2019 (+5.3% or +4,975). Between 2019 and 2022 it saw the largest numeric declines (-2,430 or -2.4%). See Table 2.

Changes in Labor Force Participation

The labor force participation rate is the percent of noninstitutionalized civilians in a particular cohort that are either working or actively seeking work. Prior to the pandemic (2019 annual averages) the labor force participation rate among all Vermonters 16+ years of age was 66.1%, down from 70.8% in 2010. This decline was due in large part to retirements among the baby-boomer generation. The rate fell as low as 61.7% during the pandemic (November and December 2020). Since that time it has increased or remained the same every month. After averaging 63.1% in 2022 it currently (August 2023) stands at 64.0%, 2.1 percentage points below pre-pandemic levels.

As of 2022 the labor force participation rate for men remained well below pre-pandemic levels. The annual average participation rate for men in 2019 was 69.9%. In 2022 that annual average was 64.9%, a full five percentage points lower. Due to sample size limitations more recent data is not considered reliable. Women's participation rate in 2019 stood at 62.5%. It was lower in 2022, but at 61.3% the decline was much less than among men.

An analysis of labor force participation rate by age cohorts reveals some significant differences. The largest declines were in the youngest cohort for which data is available; Among Vermonters age 20 to 24 the labor force participation rate fell 9.4 percentage points from 2019 to 2022, declining from 77.5% to 68.1%. This is especially significant when one considers that the 20-24 and the 65+ age

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cohorts were the only ones that showed an increase between 2010 and 2019.

The next largest decline was among Vermonters age 45 to 54. Among this cohort the participation rate fell from 86.7% in 2019 to 80.9% in 2022. The only cohort within which the participation rate increased over the period was those age 35 to 44. Among this group the rate grew by 0.6 percentage points from 86.7% to 87.3%. See Table 3.

Table 3: Changes in Labor Force Participation Rate

Demographic	2022	2019	2010
Total	63.1	66.1	70.8
Men	64.9	69.9	74.6
Women	61.3	62.5	67.1
Married men, spouse present	67.0	70.7	78.5
Married women, spouse present	63.2	64.8	71.2
Total, 20 to 24 years	68.1	77.5	76.9
Total, 25 to 34 years	82.2	84.6	85.2
Total, 35 to 44 years	87.3	86.7	89.0
Total, 45 to 54 years	80.9	86.7	87.1
Total, 55 to 64 years	71.6	72.7	75.6
Total, 65 years and over	24.2	26.4	23.4

Job Openings and Quits

This section we will review changes to job openings, job quitters and layoffs from 2019 to 2022. Combined, these data points tell us about churn in the labor market – when the labor market is strong there are many job openings. This makes workers more likely to leave a job in search of better wages or improved working conditions, increasing the quit rate. When openings decline and layoffs increase workers might be less likely to quit a job. Finally, a low number of unemployed persons per job opening makes it harder for firms to fill positions and puts upward pressure on wages. A high number of unemployed person per job opening makes it easier for firms to fill positions and serves to reduce worker bargaining power. See Table 4.

(Note: All monthly figures in this series are rounded to the nearest 1,000.)

Job Openings

During the 10-year period prior to 2019 the state of Vermont averaged 11,500 job openings. The number of openings increased unevenly from its low of 7,000 during the end of the December 2007 recession to a high of 20,000 in July of 2018. Openings averaged 16,000 in 2019 and early 2020. With the beginning of the pandemic, openings initially declined. Within a year, however, the number of reached 22,000, at the time a record high for the state.

The number of openings continued to climb throughout 2021, peaking at 28,000 in January of 2022. Since that time they have fallen slowly. In July of 2023 (the latest available data) they stood at 18,000.

Job Quitters

During the 10-year period prior to 2019 the state averaged 5,600 job quits per month. As with job openings, the figure was lowest during the end of the previous recession. Starting from a low of 3,000 in August of 2009, quits peaked at 9,000 in October of 2017. In the 14 months prior to the pandemic quits averaged 6,900.

Quits fell to a series low of 2,000 in May of 2020. As discussed in the next section, this followed record layoffs of a combined 68,000 in the two previous months. By 2021, however, quits increased to an average of 7,800. Quits peaked at 10,000 in November of 2021. Since

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January of 2022 the state has averaged 8,000 quits per month, 43% higher than the 10-year average preceding 2019.

Layoffs

With 43,000 layoffs in March of 2020 and further 25,000 the following months, all other layoff figures appear to be minor fluctuations. The average in the period between 2010 and the start of the pandemic was 5,200. The peak during that same period was 8,000, achieved in June of 2009 and March, October and November of 2010. The lowest level of layoffs was 3,000, achieved numerous times between April of 2010 and December of 2019. Since May of 2020 the number of layoffs has fluctuated between 2,000 and 7,000, averaging 3,600.

Unemployed Persons per Job Opening

The number of unemployed persons per job opening is a measure of the availability of labor. A higher number indicates that more people are available to fill an open position while a lower number points to a "tighter" labor market, a market in which workers will have more bargaining power and employers will have a harder time filling open positions.

Between January of 2009 and December of 2014 the ratio remained above 1, meaning there was more than one unemployed person for every job opening. It peaked at 3.4 in November and December of 2009. It then fell unsteadily in the years prior to the pandemic; Between January of 2019 and February of 2020 it averaged just 0.5, meaning there were two job openings for every unemployed person.

January 2021 was the last month in which there was at least one unemployed person per job opening. The number averaged 0.6 in 2021 and has remained between 0.3 and 0.5 ever since.

Table 4: Job Openings, Layoffs and Quits

Time period	Openings (1,000s)	Layoffs (1,000s)	Quits (1,000s)	Unemployed per Opening
2009	7.3	6.8	4.2	3.1
2010	8.7	5.9	4.9	2.7
2011	8.9	5.3	4.7	2.2
2012	9.8	5.3	4.8	1.7
2013	10.0	5.3	5.3	1.6
2014	11.3	4.8	5.6	1.3
2015	13.3	5.0	6.2	0.9
2016	14.0	4.9	6.8	0.8
2017	15.2	5.1	7.0	0.7
2018	16.7	4.5	6.8	0.6
2019	16.1	4.4	4.2	0.5
Mar 2020	*14*	*43*	*5.0*	*0.6*
Apr 2020	*12*	*25*	*3.0*	*4.1*
2020	13.6	9.3	5.1	1.5
2021	21.9	3.5	7.8	0.6
2022	23.8	3.1	8.1	0.4
2023 to date	20.0	4.3	7.6	0.4

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