

## As Job-Seekers Lose Steam, So Does the Recovery

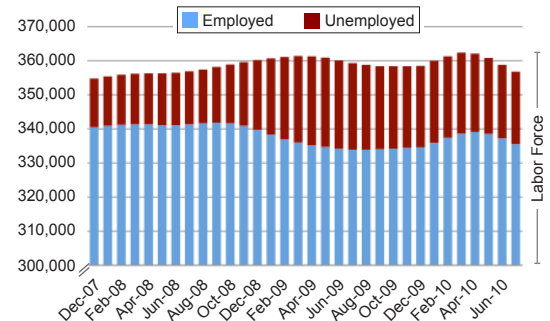
For the fourth straight month, Vermonters have dropped out of the labor force. According to figures released today, the number of people working or looking for work dipped to 356,700 in July. That's the smallest labor force in more than two years—only slightly larger than it was at the start of the recession in December 2007. Vermont's unemployment rate has remained relatively low for the last few months,

	July 2010	June 2010	July 2009
Labor Force	356,700	358,800	359,300
Employment	335,500	337,200	333,900
Unemployment	21,300	21,600	25,400
Rate	6.0%	6.0%	7.1%

which suggests that discouraged workers have simply given up and stopped looking for jobs.

### Labor Force Continues to Shrink

Vermonters working and looking for work



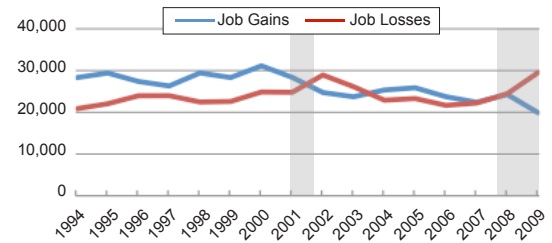
Source: U.S. Bureau of Labor Statistics

### A protracted slide in job creation

Net change in the number of Vermont jobs—the difference between jobs gained and jobs lost—doesn't tell the full story. In the 1990s, Vermont's private sector was adding nearly 30,000 jobs each year (blue line). But that growth eroded during the last decade, with only 20,000 jobs created in 2009. This makes the state more vulnerable to unemployment during this recession—when job losses (red line) rose to 30,000 in 2009—than it was during the recession of the early 2000's.

### Job Gains Are Weaker Since 2000

Gross private sector job gains and losses, 1994 - 2009



Note: Shaded areas indicate recessions

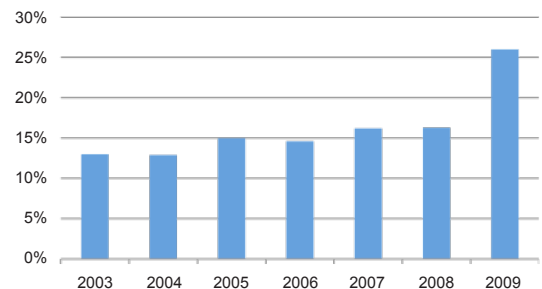
Source: U.S. Bureau of Labor Statistics

### Out of work with no end in sight

Nationally, long-term unemployment is the worst it has been since the late 1940s. Vermont's statistics don't go back that far, but 2009 saw a sharp spike in the rate of unemployed workers who have been jobless for more than half a year. The rise in long-term unemployment is the likely cause of the shrinking labor force.

### Long-term Unemployment is Up

Jobless Vermonters unemployed for 27 weeks or more



Source: Economic Policy Institute