

A Lower Jobless Rate, but Little Change for Jobseekers

Vermont’s unemployment rate dropped in 2012, from 5.6 percent the year before to 5.0 percent—the fourth-lowest annual average unemployment rate in the country. But the unemployment rate didn’t come down because more people were working; over 2,000 jobless workers simply left the labor force. Average annual employment for 2012 was the same as the previous year: 338,600 people were working, which was still below the pre-recession peak of 343,100.

A continuing slide in the work force

More of the same: That’s what the January 2013 employment numbers, released today, seem to signal. While the unemployment rate dropped from 4.9 percent in December to 4.7 percent in January, there was little to celebrate. The number of employed Vermonters was down in January. And after six months of slow, steady increases, the number in the labor force dropped in January, mirroring a pattern that has occurred three

times in the last four years as the overall labor force numbers trend downward.

	Jan 2013	Dec 2012	Jan 2012
Labor Force	355,447	356,230	357,908
Employment	338,692	338,795	340,074
Unemployment	16,755	17,435	17,834
Rate	4.7%	4.9%	5.0%

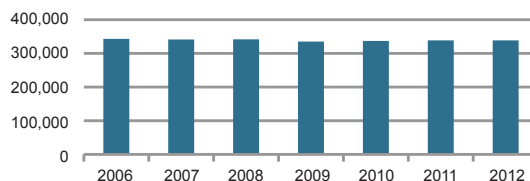
Source: U.S. Bureau of Labor Statistics

‘Real’ unemployment: Twice as bad

When jobless workers stop seeking work, they’re no longer counted in the official unemployment rate—U-3, in statistical jargon. But another U.S. Census survey counts these discouraged workers and those working part time who would like more work. Many economists view this broader measure, U-6, as the “real” unemployment rate. New data for 2012 show Vermont’s U-6 rate was 11 percent—more than double the official U-3 rate.

2012 Saw No Employment Gains

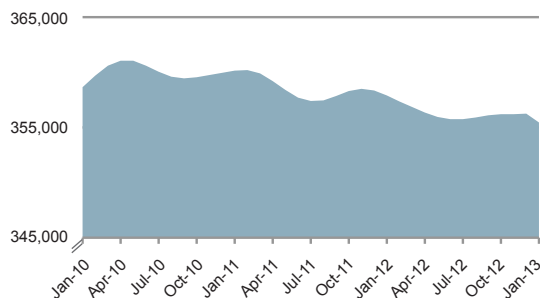
Vermont average annual employment, 2006-12



Data source: Vermont Department of Labor

Labor Force Dipped to Start New Year

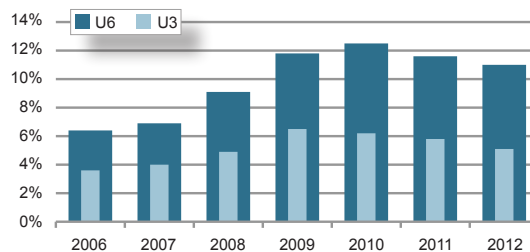
Vermont monthly labor force, seasonally adjusted



Data source: Vermont Department of Labor

Broad Joblessness Measure Remains High

Annual average rates of U-3, U-6 unemployment



Data source: U.S. Bureau of Labor Statistics