

Stimulus Helps Public Job Growth; Private Sector Still Lags

The public sector added 1,700* jobs in July, many of them youth services jobs paid for with federal stimulus funds. Meanwhile, the private sector reported more job losses last month.

State government jobs increased by 1,100 in July. According to the Vermont Department of Labor, youth services employment accounted for about 900 of those jobs and added about \$2.7 million to the monthly payroll. Jobs through youth services employment programs are counted as state government jobs even though young people working are not state employees. Vermont has been reducing the state payroll through attrition and lay-offs.

Private sector jobs continued to decline and undercut the gains in the public sector last month. The private sector, which accounts for about 80 percent of the jobs in Vermont, lost 800 jobs in July. Since the start of the recession, the private sector has lost 15,600 jobs – more than 6 percent.

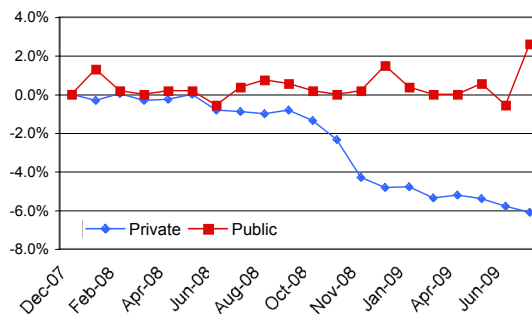
With the help of stimulus funds, the number of public sector jobs was about 2.5 percent higher than before the recession. (Figure 1.)

Unemployment dropped sharply in July and was below 7 percent for the first time since January. But the job market is still tight. The latest survey by the U.S. Bureau of Labor Statistics, found in June there were four unemployed workers for every job opening in the Northeast, which includes New England, New York, Pennsylvania and New Jersey. The ratio of job-seekers to jobs was twice as bad in June as it was before the recession. (Figure 2.)

The unemployment rate dropped to 6.8 percent in July. However, that is a preliminary number, and the Vermont Department of Labor said it could be revised upward next month. Last month, the preliminary June unemployment rate was 7.1 percent, but it was adjusted to 7.3 percent in the latest report. (Figure 3.)

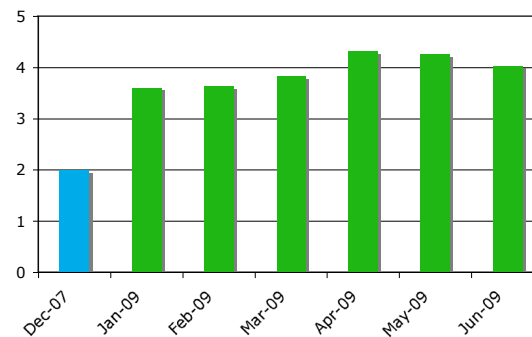
*All jobs figures are seasonally adjusted.

Figure 1. Change in Private and Public Jobs in Vermont Since Start of Recession



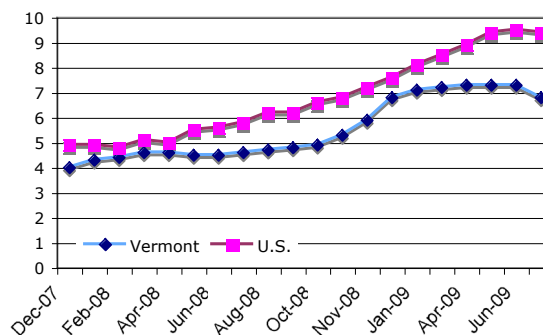
Source: Vermont Department of Labor

Figure 2. Unemployed Workers per Job Opening in the Northeast



Source: Bureau for Labor Statistics

Figure 3. U.S. and Vermont Unemployment Rates Since Start of Recession



Source: Vermont Department of Labor

Public Assets Institute

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