

## Vermont's Unemployment Rate Still High, But Lowest in Northeast

Vermont's unemployment rate remained at 6.8 percent in August, the seventh month at this level or higher and the longest stretch since the early 1980's. As bad as it is for Vermonters, workers elsewhere in the Northeast have it worse. Vermont now has the lowest unemployment rate in New England and New York (**Figure 1**).

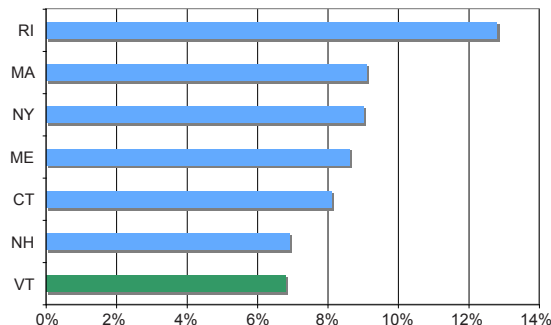
After the loss of 15,500 private sector jobs in Vermont since the start of the recession—12,900 of them in the past year—August showed no further decline. Public sector jobs dropped slightly (100 jobs) last month. **Figure 2** shows the monthly change in private sector jobs since the start of the recession.

According to data released today by the Vermont Department of Labor, the state's seasonally adjusted unemployment rate held steady in August at 6.8 percent. Labor Department analysts had expected they might have to increase the preliminary July unemployment rate. However, no adjustment was needed, so the rate stayed at 6.8 percent.

While the unemployment rate didn't change this month, the number of employed Vermonters actually went down by 1,146. The rate stayed the same even though there were fewer Vermonters working last month because the overall labor force also declined. A possible explanation for the smaller labor force is that people stopped looking for work. Workers who are not actively seeking employment are not counted in the labor force—or as unemployed in the standard unemployment rate.

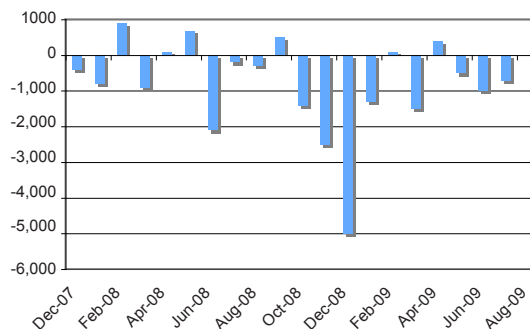
The Bureau of Labor Statistics measures several different unemployment rates. The most familiar is known as U-3, which is the total unemployed as a percentage of the total labor force, but does not include discouraged workers. Another measure is U-6, which some economists say is a truer picture of the labor market. The U-6 rate includes those officially unemployed along with discouraged workers and part-time workers who would prefer to work more. **Figure 3** shows the relationship between the annual averages for U-3 and U-6 in Vermont over the past five years. See [www.vtmi.info/unempalt.cfm](http://www.vtmi.info/unempalt.cfm) for an explanation of the various measures of unemployment.

**Figure 1. Northeast Unemployment Rates, August 2009**



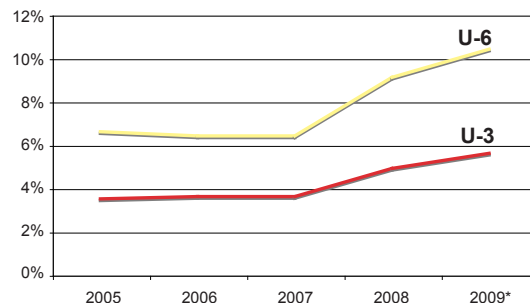
Source: Bureau of Labor Statistics

**Figure 2. Monthly Private Sector Job Loss in Vermont, Seasonally Adjusted**



Source: Vermont Department of Labor

**Figure 3. Vermont Average Annual Unemployment**



Source: Vermont Department of Labor  
\*2005 - 2008 calendar year average; 2009 twelve-month average ending in June