

## Joblessness Dips Below 5 Percent, But Many Still Want Work

Vermont’s seasonally adjusted unemployment rate inched down again in February—to below 5 percent. That makes two full years with no increase in the rate and the biggest number of Vermonters employed in five years—342,900. While this employment level doesn’t account for the increase in population over that period, it’s welcome news: Vermont

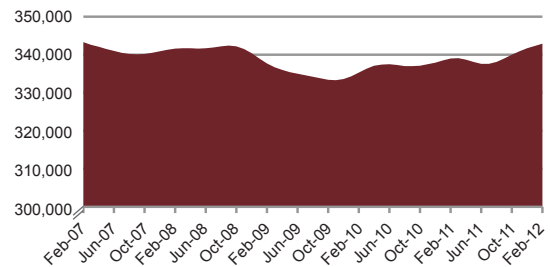
	Feb 2012	Jan 2012	Feb 2011
Labor Force	360,700	360,600	360,200
Employment	342,900	342,300	339,000
Unemployment	17,800	18,200	21,200
Rate	4.9%	5.1%	5.9%

Data source: Vermont Department of Labor

appears to be crawling out of the deep hole created by the Great Recession.

### Employment Hits a Five-Year High

Employed workers, seasonally adjusted



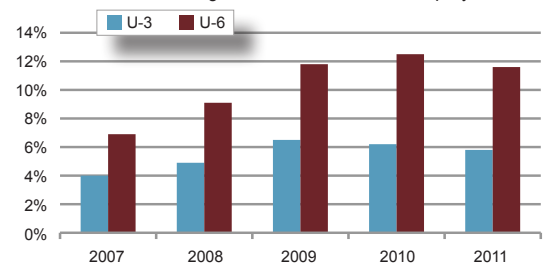
Source: Vermont Department of Labor

### Discouraged and underemployed

That below-5-percent February unemployment rate was the “official” (U-3) rate, which excludes certain workers. The broadest measure of unemployment—U-6—counts people who have stopped looking for work and those who are employed part time but would like to work more. Vermont’s U-6 rate declined in 2011—to 11.6 percent from a high of 12.5 percent the previous year. But this broad measure of unemployment was still double the official unemployment rate.

### Broad Jobless Measure is Twice Official Rate

Vermont annual average rates of U-3, U-6 unemployment



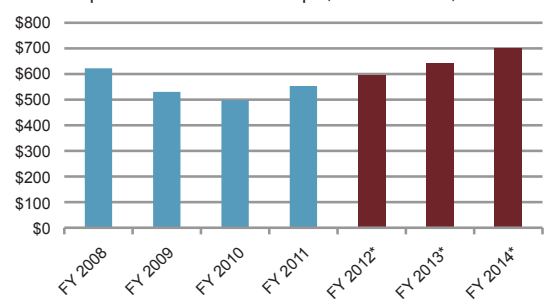
Data source: U.S. Bureau of Labor Statistics

### Slow growth in tax receipts

When people are out of work, income tax receipts take a dive. That’s what happened in Vermont when the economy collapsed. The recession officially began in the middle of fiscal 2008, when Vermont collected \$622 in personal income taxes. The figure dropped below \$500 million in the depths of the recession. It’s been slowly growing since then. But receipts won’t be back to pre-recession levels until fiscal 2013, when they are forecast reach \$642 million.

### Income Taxes Haven’t Yet Recovered

Vermont personal income tax receipts, FY2008-2014, in millions



\* Projected

Source: Vermont Joint Fiscal Office