The state unemployment trust fund is ample—so far

Four months into the COVID-19 pandemic, nearly 50,000 Vermonters are relying on unemployment benefits each week. As of July 4, regular state unemployment insurance (UI) was paying about 40,000 weekly claims; in addition 9,500 people were collecting federal Pandemic Unemployment Assistance (PUA), a program for workers, including self-employed, who don’t qualify for regular jobless benefits. Meanwhile, Vermont’s unemployment rate fell to 9.4 percent in June, as 10,000 more Vermonters went to work last month.

Better prepared
Vermont’s unemployment trust fund had a bigger balance before the pandemic than before the Great Recession: $503 million versus $162 million. But since March the state has paid out nearly $190 million—38 percent of the fund—to jobless Vermonters. The recession overwhelmed the fund by 2010, and it had to borrow from the federal government. Without knowing how quickly jobs will return during and after the pandemic, it’s difficult to predict how long the trust fund will last.

Quick drop
Although Vermont did not shut businesses to stop the spread of the virus until mid-March, the losses were enough to shrink the state’s economy for the first quarter of 2020. New figures from the U.S. Bureau of Economic Analysis show that from January through March gross state product fell at an annualized rate of 6.1 percent—the biggest quarterly decline since 2012.

* From the Vermont Department of Labor: The data presented in this publication represents unofficial information collected from a variety of sources, and is being provided in order to ensure transparency, the freedom of information, and a well-informed public. While it is accurate to the extent ascertainable by the Department at the time of publication, it has not been subject to inspection or validation, and does not constitute verified employment data for the purposes of required reporting and formal release. This data is for the sole purpose of informing the public and shall not be recreated or reposted in any way, without this disclaimer. The information provided herein is not related in any way to the certified data provided to the U.S. Department of Labor.