

Public Assets Institute

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VERMONT'S WORKFORCE WELL EDUCATED BUT UNDERUTILIZED Wages and income lag behind region, says Public Assets Institute report

MONTPELIER, VT – Vermont has a highly educated workforce and enjoys low unemployment and the highest workforce participation rate in New England. But the state's wages and median household income remain well below regional standards. In fact, real wages for those with a four-year college degree have gone down.

These are among the findings of "The State of Working Vermont 2007," a new brief prepared by the Public Assets Institute. The report highlights Vermont employment, wages, and workforce trends, drawn from 2006 government data. It is produced in cooperation with the Economic Policy Institute (EPI), a Washington-based economic think tank.

"Vermonters are well educated and hard working, but the wages they receive are among the lowest in New England," said Paul Cillo, president of the Public Assets Institute. "The state has kept the minimum wage above the federal level," he said. "But that's not enough. We need an economic development strategy that effectively uses Vermont's best asset: its workers."

Among the brief's primary findings:

- Vermont's labor force participation, at 72 percent, is higher than the national average and that of the other states in New England.
- Vermont's workforce is very well educated. In 2006, more than a third of the state's workers had a four-year college degree and over ninety percent have finished high school. Since 1980, the gap in wage growth between workers with a college degree

(40 percent growth) and a high school degree (27 percent growth) has been steady, although real wages for those with a college degree have fallen since 2002.

- With net gains in construction, education, health services, and government, Vermont saw just under 3 percent net job growth since 2000, the second-highest gain in New England (after Rhode Island). In spite of economic development strategies to strengthen private-sector job growth, it has been weak since 2001.
- Like other states in the region, Vermont lost a significant number of jobs in the manufacturing and information industries. Many of Vermont's new jobs are low-paying service jobs.
- Despite a 9 percent growth in its median wage since 2000 (\$14.95 in 2006), Vermont's median wage remains the second lowest in the region (behind Maine) and only slightly above the national median wage of \$14.81.
- Gender equity has continued to improve in Vermont. Women earned 87 cents to every dollar men earned in 2006, but female median wages (\$13.82) were the second lowest in the region, next to Maine.

This brief is available on the Public Assets Institute's website at www.publicassets.org.

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