Tax Supported
New Issue

State of Vermont

Ratings

New Issue
General Obligation Bonds, 2010 Series A — AA+

Outstanding Debt
General Obligation Bonds — AA+

Rating Outlook

Stable

Analysts

Kenneth T. Weinstein
+1 212 908-0571
ken.weinstein@fitchratings.com

Laura Porter
+1 212 908-0575
laura.porter@fitchratings.com

New Issue Details

Sale Information: $52,000,000 General Obligation Bonds, 2010 Series A, on or about Jan. 27 via competition.
Security: General obligations of the state of Vermont, with its full faith and credit pledged.
Purpose: To finance various capital projects throughout the state.
Final Maturity: Aug. 15, 2029.

Related Research

Applicable Criteria
- *Tax-Supported Rating Criteria, Dec. 21, 2009*
- *U.S. State Government Tax-Supported Rating Criteria, Dec. 28, 2009*

Other Research
- *State of Vermont, Feb. 27, 2009*

Rating Rationale

- Vermont's debt profile reflects exclusive use of GO debt and amortizes rapidly.
- Debt ratios have declined in recent years and are now low; affordability planning is employed.
- The state's revenue stream is diverse, and reserve funds are fully funded.
- Vermont's economy has diversified but remains narrow and is still vulnerable to the cyclical manufacturing sector.

Key Rating Drivers

- Maintenance of fiscal balance amid the current recession.
- Maintenance of a low to moderate debt burden.

Credit Summary

Vermont's 'AA+' rating reflects its low debt burden, which is maintained through adherence to debt affordability guidelines; conservative financial management with fully funded reserves; and economy, which is now less dependent on the manufacturing sector. Outstanding debt, which is entirely GO and matures rapidly, has declined from previously moderate levels. The state budgets conservatively, and its diverse revenue stream includes a state property tax for education. Reserves in each major operating fund, as of the close of fiscal 2009, were at full funding at 5% of prior-year appropriations. The relatively narrow state economy is supported by larger than average manufacturing (albeit less so than in the past), tourism, and health and educational services sector employment. Vermont has a relatively small income base with an older and well-educated population. Challenges include the need to address continued education and Medicaid spending pressures.

Vermont lost less than 1% of its jobs during the recession earlier this decade; by 2004, it had exceeded its pre-recession annual employment peak, in sharp contrast to the steep and protracted recession of the early 1990s. Employment growth since 2005 has lagged the nation's, and the decline registered in 2008 was steeper than that nationally. November 2009 employment data indicate state employment declined 2.6% from the November 2008 level, with the most significant declines occurring in the construction and manufacturing sectors. Manufacturing sector employment, led by an IBM facility near Burlington, still exceeds the national level on a percentage basis, although both employment and personal income reliance on this sector has dropped in recent years. State unemployment has historically been below the national level, and Vermont's November 2009 unemployment rate of 6.4% is well below the national rate of 10% for the same month. Vermont has been challenged by the aging of its population; the median age of 41.2 years is well above the national 36.9 years and is exceeded only by Maine's. Per capita personal income in 2008 totaled $38,686, ranking Vermont 24th among the states, at 96% of the national level.

Conservative practices and well-stocked reserves sustained healthy finances during the recession earlier this decade, with the state using some reserves and reducing appropriations in fiscal years 2002 and 2003, when revenues softened. Operations were

Rating History

Rating	Action	Outlook/ Watch	Date
AA+	Affirmed	Stable	1/15/10
AA+	Upgraded	—	10/25/99
AA	Assigned	—	8/18/92

subsequently favorable, and reserves were restored to their maximum level by the end of fiscal 2004. Surpluses in fiscal years 2004–2008 were largely used for reserves, additional pension contributions, property tax relief, and carryovers into ensuing fiscal years. Fiscal 2009 general fund revenue expectations were reduced several times during the fiscal year and ultimately declined 8% from fiscal 2008 figures. Personal income tax receipts were down by a significant 14.8%, while corporate income taxes and sales and use tax receipts were down 9% and 3.4%, respectively. Measures to maintain balance during fiscal 2009 were promptly implemented, consisting of various spending reductions and the use of federal stimulus moneys, and Vermont ended with an operating surplus of approximately $15 million. At the close of the fiscal year, Vermont's three reserve funds remained at their maximum levels. Fiscal 2010 revenue expectations were revised downward earlier this fiscal year, and $28 million in spending cuts, balance transfers, and application of a portion of the prior year's surplus were employed to maintain balance. Through November, general fund revenues were meeting expectations. The proposed general fund executive budget for fiscal 2011 addressed a $150 million budget gap, primarily through $54 million in proposed human service agency cuts, $38 million in cuts across various agencies, and $25 million in savings generated through a series of pension reforms, while maintaining the state's three reserve funds at their maximum statutory levels.

Vermont's debt is exclusively GO, and it amortizes rapidly. The state's debt burden is low. As of June 30, 2009, net tax-supported debt of $440.6 million equaled $709 per capita and 1.8% of 2008 personal income. Debt has declined since the 1990s as a result of debt affordability recommendations, and, while annual issuance levels are expected to grow, debt ratios are expected to remain low to moderate. Vermont continues to appropriate required contributions to its pension systems, although funded ratios have recently declined in part due to asset valuation declines.

Debt

Vermont's debt levels have consistently declined and are now considered low. As of June 30, 2009, net tax-supported debt of $440.6 million equaled $709 per capita and 1.8% of 2008 personal income, well below 1999 levels of $948 per capita and 3.9% of 1998 personal income.

There are no constitutional or statutory restrictions on debt in Vermont. All direct debt is now GO, as a minor amount of leases and certificates of participation were refunded in fiscal 1998. General purpose bonds are serviced from the general fund and highway debt from the transportation fund. Not included in the GO debt is debt issued by the Education and Health Building Finance Agency for the benefit of developmental and mental health services providers, although much support for the programs comes from state appropriations.

Debt Statistics

($000, as of June 30, 2009)

General Fund	411,809
Special Fund	6,030
Transportation Fund	22,794
Total GO Debt	**440,633**
Contingent Liabilities:	
VEDA Mortgage Insurance Program	6,718
VEDA Financial Access Program	877
Reserve Fund Commitments:	
Bond Bank	488,615
Housing Finance Agency	155,000
Economic Development Authority	70,000
VT Telecommunications Authority	40,000
VSAC	50,000
UVM/VSC	100,000
Gross Tax-Supported Debt	**1,351,843**
Less: Contingent Liabilities	7,595
Less: Reserve Fund Commitments	913,615
Net Tax-Supported Debt	**440,633**
Net Tax-Supported Debt	
Per Capita ($)[a]	709
As % of PI (2008)	1.8
Amortization – (GO Debt) (%)	
Due in Five Years	48
Due in 10 Years	75

[a]2009 census estimate. UVM – University of Vermont. VSC – Vermont State Colleges. Note: Numbers may not add due to rounding.

Vermont has considerable exposure through credit extension. The state's full faith and credit backs up certain programs of the Vermont Economic Development Authority (VEDA, or the authority), including the authority's insuring of up to $15 million in mortgages. As of June 30, 2009, the authority had $6.7 million in mortgage contracts outstanding. The authority also is authorized to reimburse lenders participating in the Financial Access Program to a maximum of $1 million. As of June 30, 2009, the reimbursement liability was $877,234. VEDA has also issued commercial paper ($82.8 million outstanding) to finance new loans; the commercial paper program has a reserve deficiency makeup provision with the state, not to exceed $70 million. Calls on the various guarantees have been minor.

In addition to VEDA commitments, the state has reserve fund deficiency makeup provisions with the Vermont Municipal Bond Bank and the Vermont Housing Finance Agency, with the latter limited to $155 million in bonds; no calls have been employed. The state also has reserve replenishment commitments with the Vermont Telecommunications Authority (VTA), Vermont Student Assistance Corporation (VSAC), University of Vermont (UVM), and Vermont State Colleges (VSC) totaling $40 million, $50 million, $66 million, and $34 million, respectively. To date, no debt has been issued against the commitments to VTA and VSAC and no appropriations have been necessary regarding the commitments to UVM or VSC.

The state has issued short-term debt, both for operating and capital purposes. In fiscal years 1993–1997, it was entirely in the form of commercial paper. Subsequently, there was no need for operating borrowing until fiscal 2003, when $75 million was issued. In fiscal 2004, $48 million was issued, but the state's finances have improved since then, and the state has not issued short-term debt.

Vermont has a capital debt affordability advisory committee that will recommend prudent debt authorizations, taking into account, among other things, debt in relation to personal income and debt service in relation to revenues. Annual recommended amounts declined from $64 million in fiscal 1994 to $43 million in fiscal years 1997 and 1998 and to less than $40 million from fiscal years 1999–2004. The recommendation rose to $41 million in fiscal 2005, $45 million in fiscal years 2006 and 2007, and $49.2 million for fiscal 2008. While the committee had initially recommended $54.65 million in new issuance for fiscal 2009, the state's General Assembly authorized an additional $10 million above this for transportation purposes, and the committee subsequently offered an amended recommendation that included the additional debt. For fiscal 2010, $69.955 million has been recommended by the committee, inclusive of an additional $10 million for transportation projects, although the General Assembly has not yet authorized this proposed new debt. The committee has recommended $71.825 million in GO bonds for fiscal 2011, although the General Assembly has not yet acted on that recommendation. Although authorized issuance levels have grown, debt retirement is rapid, with 75% expected to be amortized over the next 10 years, and debt ratios are forecast to remain in the low-to-moderate range over the next several fiscal years.

The state, under the 2009 Transportation Infrastructure Bond (TIB) Act, created the TIB fund, which will receive taxes levied on motor fuel distributors. Pursuant to the act, the state treasurer may issue bonds, as authorized in the annual transportation bill, with debt service to be paid from the TIB fund. Additionally, the state is permitted to extend its GO pledge to such debt. Up to $10 million of TIB debt has been authorized for fiscal 2010. To date, no debt has been issued under this credit and no decision has been made on the extension of the state's GO pledge to such debt.

Pensions/Other Post-Employment Benefits

Vermont continues to appropriate required contributions to its pension systems, although funded ratios have recently declined in part due to asset valuation declines. The Vermont State Employees' Retirement System (VSERS) was 78.9% funded at the last actuarial valuation on June 30, 2009, while the Vermont State Teachers' Retirement System (VSTRS) was 65.4% funded. At the June 30, 2008 valuation, the systems were 94.1% and 80.9% funded, respectively. The state had a history of funding the teachers' system below the actuarially recommended contribution (ARC); however, following a change in some actuarial calculations, it has fully funded the ARC since fiscal 2007.

Vermont has completed five actuarial studies for its other post-employment benefits liability to date. For VSERS, assuming a trust is established and prefunding of the liability, the unfunded actuarial liability is $454.2 million, and the ARC is calculated at $36.7 million for fiscal 2010. For VSTRS, with the same assumptions, the unfunded actuarial liability is $431.9 million, with an ARC of $32.2 million for fiscal 2010. The state has statutorily established an irrevocable trust for VSERS and set aside $5.7 million as of the close of fiscal 2009, but it has not decided on how to fund the ARC.

Finances

The state maintains three primary funds, with the general fund serving as the state's basic operating account. The education fund supports the state's portion of K–12 funding through the receipt of one-third of sales tax revenues, one-third of motor vehicle purchase and use tax receipts, lottery proceeds, and the statewide property tax, among other sources. Each fund maintains its own reserve. The transportation fund receives motor fuel taxes and other vehicle-related revenues, and these moneys are expended for construction and maintenance of the state's transportation network, state police services, and debt service on transportation debt.

Accounting has been done on a cash basis, but the conversion to generally accepted accounting principles (GAAP) was completed for fiscal 1996. Vermont's comprehensive annual financial reports for fiscal years 2002, 2003, and 2004 were each delayed due to complications of a new financial system, conversion to GAAP Statement No. 34, and a delay in auditing capital assets. The problems have since been remedied.

Vermont has a relatively high tax burden and a diverse revenue stream that includes a personal income tax, which provided 48% of audited fiscal 2009 general fund revenues. The income tax was decoupled from the federal income tax in tax year 2001. Other general fund sources include a corporate income tax, an insurance tax, a property transfer tax, an estate tax, liquor and cigarette taxes, and meals and rooms taxes. Vermont's 6% sales tax, which yielded 15% of combined general and education fund revenues, is split between the general fund and education fund on a two-thirds/one-third basis, respectively. It exempts food, medicine, clothing, and supplies and energy for manufacturing and agricultural uses. Vermont's statewide property tax for education represented 87% of education fund receipts in fiscal 2009. Vermont has typically forecast revenues for its three primary funds biannually in January and July. However, through the current recession, the state has produced quarterly forecasts and implemented balancing measures, as necessary, following those forecasts. Vermont intends to return to biannual forecasts as revenue expectations stabilize.

Fiscal 2002 represented the state's poorest financial performance since the early 1990s. Revenues, projected to hold steady, fell 7% over 2001 levels, with personal income tax receipts off 11%. The state responded throughout the year by lowering estimates twice, reducing appropriations, and using portions of the reserves. On a GAAP basis, the general fund ran a $23 million operating deficit to close with a $149.6 million total fund balance.

The state expected fiscal 2003 revenues to also decline and lowered revenue estimates and made cuts. However, following late-year strength, revenues actually matched the originally budgeted level, allowing for modest reserve replenishment at a much earlier stage in the cycle than was possible for most other states. Tax revenues for the fiscal year rose 3.1%. At the close of the fiscal year, the general fund stabilization reserve was about one-half funded at $23.6 million. On a GAAP basis, the general fund ran a $49.8 million operating deficit and closed with a $99.8 million total fund balance.

State fiscal years 2004 and 2005 were both characterized by good revenue growth leading to surplus, full reserve funding, and balance carry-forward. As in most states, fiscal 2004 operations were also assisted by federal aid, which helped offset rapid growth in Medicaid spending. Fiscal 2006 was the third consecutive strong year for the state. On an operating basis, the state closed with a $43 million surplus, which was transferred in part to the transportation fund ($10 million) and the budget stabilization reserve ($6 million); $29.4 million was carried forward to fiscal 2007.

Financial Information — GAAP

($000, Fiscal Years Ended June 30)

	General Fund					Education Fund				
	2005	2006	2007	2008	2009	2005	2006	2007	2008	2009
Personal Income Tax	499,007	575,710	582,181	620,824	526,636	—	—	—	—	—
Sales Tax	207,630	218,227	221,748	223,563	213,817	103,786	109,112	111,306	113,050	105,205
Corporate Income Tax	61,154	72,036	78,365	71,265	66,453	—	—	—	—	—
Meals and Rooms	113,037	112,204	115,447	120,327	117,278	—	—	—	—	—
Statewide Property Tax	—	—	—	—	—	732,331	813,588	878,715	798,905	876,408
Total Taxes	1,025,142	1,122,518	1,127,228	1,175,986	1,065,648	865,564	951,469	1,018,782	913,982	983,558
Total Revenue	1,049,325	1,122,681	1,167,499	1,196,078	1,103,816	865,631	951,632	1,018,959	940,353	1,005,849
Education	128,356	137,093	159,232	142,782	128,852	1,159,872	1,239,072	1,309,545	1,252,529	1,306,155
Public Safety	75,347	81,477	88,768	86,273	87,356	—	—	—	—	—
Human Services	326,496	272,633	381,680	402,110	377,329	—	—	—	—	—
General Government	40,763	43,270	56,510	69,738	69,590	—	—	—	—	7,969
Debt Service	62,609	62,702	64,547	64,205	67,049	—	—	—	—	—
Total Expenditures	672,817	636,751	800,541	812,903	772,905	1,159,872	1,239,072	1,239,072	1,252,529	1,314,124
Transfers In and Other Sources	19,831	11,044	33,938	51,246	49,738	279,275	289,476	311,437	309,218	312,743
Transfers Out and Other Uses	(387,397)	(499,192)	(399,317)	(441,728)	(386,472)	—	(932)	—	(4,700)	(128)
Net Surplus/(Deficit)	**8,942**	**(2,218)**	**1,580**	**(7,307)**	**(5,823)**	**(14,966)**	**1,104**	**91,323**	**(7,658)**	**4,341**
Balance Sheet										
Cash and Investments	106,427	100,436	78,305	81,644	74,863	29,075	29,556	49,441	41,738	42,112
Less: Current Liabilities/Encumbrances	53,215	54,946	21,671	41,756	42,838	13,538	25,386	13,049	12,785	7,634
Current Position	**53,212**	**45,490**	**56,634**	**39,888**	**32,025**	**15,537**	**4,170**	**36,392**	**28,953**	**34,478**
Taxes Receivable	160,883	165,686	194,815	194,305	162,050	13,840	13,352	15,664	13,757	12,758
Interfund Receivables	31,219	31,463	36,244	37,471	41,007	36	—	—	—	—
Deferred Revenues	(93,140)	(102,629)	(122,692)	(129,393)	(99,721)	(3,407)	(2,500)	(3,249)	(2,407)	(2,593)
Total Fund Balance	163,668	161,450	163,030	155,723	149,900	26,005	27,109	47,960	40,303	44,644
As % of Revenues	15.6	14.4	14.0	13.0	13.6	3.0	2.8	4.7	4.3	4.4
Reserved for Budget Stabilization	45,771	51,808	55,224	57,839	60,014	22,901	24,324	28,248	29,393	31,081
As % of Revenues	4.4	4.6	4.7	4.8	5.4	2.6	2.6	2.8	3.1	3.1
Undesignated Fund Balance	68,610	68,317	68,057	54,458	46,713	3,104	2,785	19,712	10,910	13,563
As % of Revenues	6.5	6.1	5.8	4.6	4.2	0.4	0.3	1.9	1.2	1.3

Note: Numbers may not add due to rounding.

Surplus operations continued in fiscal 2007 with a realized general fund surplus of $31.7 million, driven by strong personal and corporate income tax receipts. The state transferred $8 million of the surplus to the transportation fund and $1.1 million to other funds. Fiscal 2008 ended with a $30 million general fund surplus, led again by overperformance in personal and corporate income taxes and offset by weakness in sales tax revenues. All three reserves remained fully funded at their statutory maximum level at fiscal year-end 2008.

Fiscal 2009 general fund revenue expectations were reduced several times during the fiscal year and ultimately declined 8% from fiscal 2008 figures. Personal income tax receipts were down by a significant 14.8%, while corporate income taxes and sales and use tax receipts were down 9% and 3.4%, respectively. Measures to maintain balance during fiscal 2009, consisting of various spending reductions and the use of federal stimulus moneys, were promptly implemented, and Vermont ended with an operating surplus of approximately $15 million. At fiscal year end, the general fund stabilization reserve, required to hold 5% of prior-year expenditures, remained fully funded at $60 million, while the transportation fund stabilization reserve, also required to hold 5%, and the education fund stabilization reserve, required to hold between 3% and 5% of fund spending, were also funded at their statutory maximums.

Fiscal 2010 revenue expectations were revised downward earlier this fiscal year, and $28 million in spending cuts, balance transfers, and application of a portion of the prior year's surplus were employed to maintain balance. Through November, general fund revenues were meeting then-current expectations. The most recent revenue forecast for fiscal 2010 was released earlier this month and was nearly $5 million above the last forecast released in November 2009. General fund revenues for fiscal 2010 are presently expected to decline 6.5% from fiscal 2009 levels. Personal income tax revenues are projected to decline 7.2% from the prior-year level, while sales and use taxes and corporate tax revenues are projected to decline 3.6% and 4.6%, respectively.

General fund spending for fiscal 2010, reflective of the August 2009 rescissions and the governor's proposed adjustments that address upward pressures in human services, will decline by approximately 5%. The proposed general fund executive budget for fiscal 2011 contemplates spending growth of 2.6% over the fiscal 2010 level. A $150 million budget gap was primarily addressed through $54 million in proposed human service agency cuts, $38 million in cuts across various agencies, and $25 million in savings generated through a series of pension reforms. The plan contemplates maintaining the state's three reserve funds at their maximum statutory levels.

Economy

Vermont has a relatively small and narrow economy that includes manufacturing, tourism, agriculture, and health and educational services. As of November 2009, health and educational services and government employment represented 21% and 19% of state totals, respectively, both well above national averages. Fletcher Allen Health Care, which has upgraded its facilities in the state, is reportedly the state's largest employer, with 6,700 employees in the state. The business and professional services sector is small in Vermont, making up just 7% of state jobs, compared with 13% for the nation, and the financial activities sector is also undersized, compared with that of the nation (4% of Vermont employment versus 6% national employment), despite attempts to grow the captive insurer base in the state.

Manufacturing, mostly durables, is still important at 10.3% of jobs, above the nation's 9.8%. Manufacturing declined in the 1990s recession, with employment dropping from more than 50,000 in 1985 to 43,000 in the early 1990s. There was recovery, with 2000 manufacturing employment at 46,400, but it slipped by 2003 to 37,600. Manufacturing employment as of November 2009 was at 30,400. IBM, located in the Burlington area and previously the state's largest private employer, reduced its workforce by some 1,800 employees during the recession earlier this decade, although the state reports that employment has been relatively stable as of the past three years. General Electric also has a significant manufacturing facility in Rutland. The state has a multiseason tourism industry. Cross-border retail and tourism activity is also important. Housing prices had grown over the past several years, spurred by increasing second-home investment. Average declines have been more modest than those recognized nationally, although the second-home market has declined more significantly. Mortgage delinquency rates in the state compare favorably to national and regional levels.

Vermont's employment growth outperformed the nation's annually from 2000–2004. Year-over-year job losses began in December 2001 and persisted through July 2003. On an annual basis, recessionary losses were about a combined 1% during 2002 and 2003, well below the national loss. Job growth returned to Vermont in 2004, with a 1.3% increase. Growth was tepid in 2005 (0.8%) and 2006 (0.7%), and employment was up slightly in 2007 by 0.2%. The first half of 2008 saw very slight improvements on a year-over-year basis, although, for the full year, statewide employment declined 0.7%. Year-over-year employment declines ranged from 3.9%–4.3% during the first half of 2009, although, as of November 2009, state employment fell by a more modest 2.6% from the November 2008 level, with the most significant declines occurring in the construction and manufacturing sectors. State unemployment has historically been below the national level, and Vermont's November 2009 unemployment rate of 6.4% is well below the national rate of 10% for the same month.

Vermont's personal income per capita has lagged the U.S. rate since World War II, falling to as low as 77% of the U.S. level in 1950, and it hovered at only 83% as recently as 1977. More recently, per capita personal income hovered around 90% of the U.S. average until 1998. Per capita personal income in 2008 totaled $38,686, ranking Vermont 24th among the states, at 96.2% of the national level.

Vermont's population grew 8.2% during the 1990s, faster than that of the New England region, yet slower than the U.S. level. The census bureau estimates Vermont has grown about 2.1% during this decade, slightly faster than New England but slower than the U.S. The state's population is well educated, with nearly one-third of adult residents holding college degrees, ranking it sixth among the states. Vermont also has the nation's largest share of population (approximately 62%) living outside the state's primary metropolitan area. Vermont has been challenged by the aging of its population; the median age of 41.2 years is well above the national median of 36.9 years and exceeded only by Maine's.

Economic Trends

Nonfarm Employment
(000, Not Seasonally Adjusted)

	VT	% Change	U.S.	% Change
1980	200	—	90,528	—
1989	262	30.8	108,014	19.3
1990	258	(1.6)	109,487	1.4
1991	249	(3.3)	108,374	(1.0)
1992	251	0.8	108,726	0.3
1993	257	2.5	110,844	1.9
1994	264	2.5	114,291	3.1
1995	270	2.4	117,298	2.6
1996	275	1.8	119,708	2.1
1997	279	1.6	122,776	2.6
1998	285	2.0	125,930	2.6
1999	292	2.3	128,993	2.4
2000	299	2.4	131,785	2.2
2001	302	1.1	131,826	0.0
2002	299	(0.9)	130,341	(1.1)
2003	299	(0.0)	129,999	(0.3)
2004	303	1.3	131,435	1.1
2005	306	0.8	133,703	1.7
2006	308	0.7	136,086	1.8
2007	308	0.2	137,598	1.1
2008	306	(0.7)	137,066	(0.4)
November 2008	304	—	136,882	—
November 2009[p]	296	(2.6)	132,223	(3.4)

Unemployment Rates
(%, Not Seasonally Adjusted Annual Rates)

	VT	U.S.	VT as % of U.S.
1980	6.3	7.1	89
1989	3.6	5.3	68
1990	4.9	5.6	88
1991	6.6	6.8	97
1992	6.4	7.5	85
1993	5.3	6.9	77
1994	4.6	6.1	75
1995	4.3	5.6	77
1996	4.4	5.4	81
1997	4.0	4.9	82
1998	3.1	4.5	69
1999	2.9	4.2	69
2000	2.6	4.0	65
2001	3.3	4.7	70
2002	4.0	5.8	69
2003	4.5	6.0	75
2004	3.7	5.5	67
2005	3.5	5.1	69
2006	3.7	4.6	80
2007	4.0	4.6	87
2008	4.8	5.8	83
November 2008	5.3	6.8	78
November 2009[p]	6.4	10.0	64

Personal Income
(Change from Prior Year)

	% Change		VT Growth
	VT	U.S.	as % of U.S.
1995	4.9	5.6	87
1996	5.8	6.3	92
1997	5.4	6.2	87
1998	8.1	7.5	108
1999	6.2	5.1	120
2000	8.2	8.2	100
2001	5.0	3.8	132
2002	2.3	2.0	115
2003	3.6	3.5	104
2004	5.8	6.0	97
2005	2.3	5.5	41
2006	8.0	7.4	107
2007	4.8	5.5	87
2008	2.7	2.9	91

Personal Income Per Capita
(Change from Prior Year)

	% Change		VT Growth
	VT	U.S.	as % of U.S.
1995	4.0	4.3	91
1996	5.0	5.1	98
1997	4.8	5.0	97
1998	7.6	6.3	121
1999	5.4	3.9	137
2000	7.3	7.0	104
2001	4.6	2.7	168
2002	1.8	1.0	175
2003	3.3	2.6	129
2004	5.5	5.0	110
2005	2.1	4.6	47
2006	7.8	6.4	121
2007	4.7	4.5	104
2008	2.6	2.0	130

Components of Personal Income: Earnings
(%)

	VT		% Change	U.S.		% Change
	2002	2008	2002–2008	2002	2008	2002–2008
Construction	8	7	10	7	6	20
Manufacturing	16	14	5	13	11	12
Durable Goods Manufacturing	13	10	4	8	7	11
Computer and Electronic Manufacturing	6	4	(8)	2	1	7
Trade, Transportation, and Utilities	17	16	22	16	16	26
Financial Activities	6	6	19	10	9	26
Professional and Business Services	9	10	44	12	16	43
Education and Health Services	15	17	44	15	12	42
Government and Government Enterprises	17	18	40	16	17	36
Total Nonfarm Earnings	—	—	26	—	—	30

State Population: 608,827 (2000 census); 621,760 (2009 census bureau estimate)
Population Change: 1990-2000 U.S. 13.1%, State 8.2%; 2000–2009 U.S. 9.1%, State 2.1%
Personal Income per Capita 2008: $38,686, 96.2% of U.S., rank 24th
[p]Preliminary. Note: Monthly unemployment rates are seasonally adjusted.