

**State of
Working
Vermont
2024**



Health, housing, dignified work, education, food, social security, and a healthy environment—Vermont [statute](#) requires that our spending and revenue policies address these needs. The law enshrines our values; it reflects promises we make to each other. While delivering on those promises might seem ambitious, there are concrete steps we can take now to bring us closer to living up to our shared values.

This report illustrates that we're closer to keeping some of these promises than others. Vermont has had a persistent gap between wages and costs, leaving many Vermonters struggling to afford their basic needs. Many of the state programs that improve affordability—including those for Vermonters not in the paid workforce—have not kept up with rising costs. Some have never been sufficient.

Our challenge now is to urge state government to take the actions necessary to make Vermont affordable for all

Adding to these challenges are potential cuts in federal programs from the incoming presidential administration and Congress, leaving states to fill any gaps. Vermont needs more than ever to invest in targeted and strategic policies to keep the promises we've made to each other.

The good news is that we know what policies work to make the state a more affordable place to live and help people meet their basic needs: cash supports, anti-poverty tax credits, robust housing and food programs. We saw a lot of them in action during the pandemic. What's more, we know that Vermont has the resources to implement them. Our challenge now is to urge state government to take the actions necessary to make Vermont affordable for all.

So what makes Vermont affordable—or not?

According to many classic economic and fiscal indicators, the state is doing pretty well. Vermont leads the country in some positive ways: Unemployment is down, median income is up, almost everyone has access to health insurance, and there are plenty of jobs to be had. But these measures are not reflected in the experiences of too many Vermonters.

While costs in Vermont are close to the national average, food and housing prices have jumped in the last few years, and healthcare costs are climbing again. Wages have grown recently, but the average wage for Vermonters was still only 85 percent of the national average wage in 2024. And that has been true for decades: Many jobs pay less in Vermont than they do in other states. The squeeze many Vermonters are feeling is both a cost problem and a wage problem.

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So when we think about affordability, it's not the classic economic indicators that matter most to Vermonters' lives. It's whether there is enough money coming in each month to cover what's going out for housing, food, transportation, utilities, healthcare, and other basic needs.

Section 1 of this report assesses how well Vermonters are doing in the areas the state has identified as statutory priorities. Vermont has a number of policies and programs in place to help Vermonters meet their basic needs and to make the state more affordable to live in. Many of these programs are not designed to close the gap between income and costs completely, while others historically had a larger impact but have shrunk over time.

Section 2 looks at where the state has made progress on affordability in recent years. Vermont's recent efforts include overdue updates to Reach Up cash assistance and childcare subsidies and an increase in the Earned Income Tax Credit. Vermont has made new investments too. It enacted a state Child Tax Credit in 2022 and expanded childcare assistance to many more families in 2023. But even with these steps, many Vermonters lost ground. The state must do more—and we can. Vermont has the resources to live up to our shared values.

SECTION 1: How well Vermont is keeping its promises

HEALTH

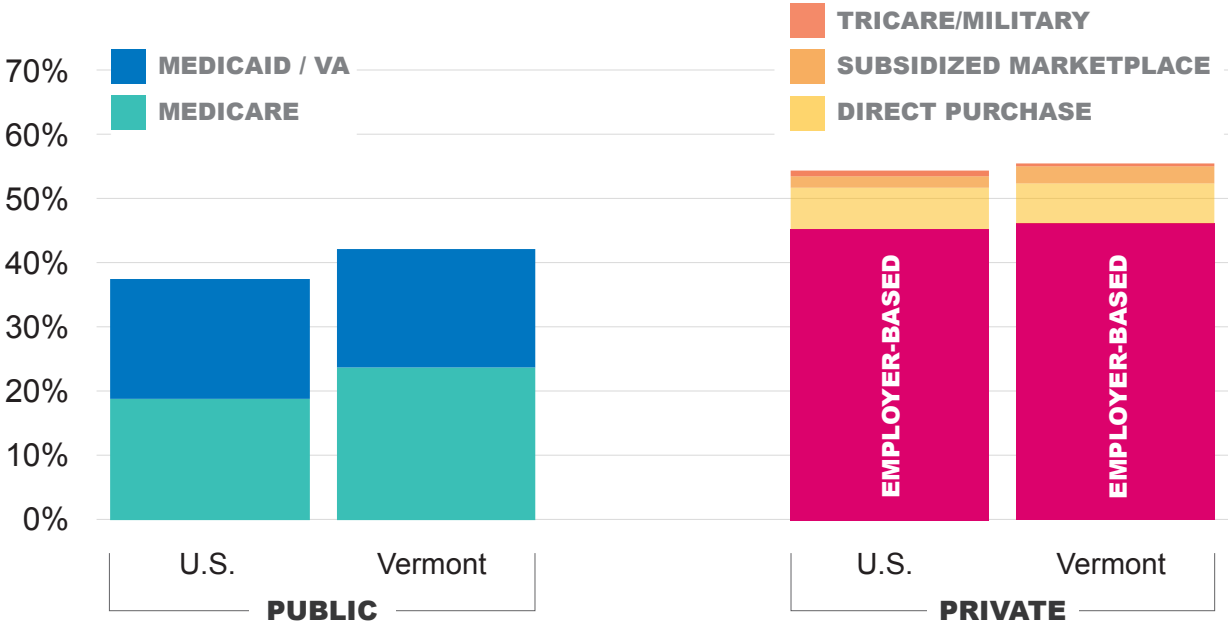
HEALTH INSURANCE COVERAGE

Health insurance coverage is the percentage of the population with either publicly funded or private health insurance or both. The U.S. Census has been tracking coverage since 2008 by many different demographics, including employment status.

More than 95 percent of Vermonters have healthcare coverage. Public programs provided coverage to 42 percent of Vermonters in 2023, compared with 37 percent of the U.S. as a whole. Much of that difference was driven by Vermont’s older population: A larger share of Vermonters are eligible for Medicare. Meanwhile, 46 percent—just under 300,000 Vermonters—had private coverage through their employers, with an additional 17,000 purchasing coverage through the Affordable Care Act (ACA) Marketplace. Many low-income Vermonters with Medicare also had Medicaid coverage, but they are counted only under Medicare in this chart. And many older Vermonters purchased supplemental private plans, but they are not included in the private insurance count. Vermont ranked fifth for coverage among the states, although at least 90 percent of residents have coverage in all but 14 states.

Similar shares of Vermonters got health insurance through employers and public programs

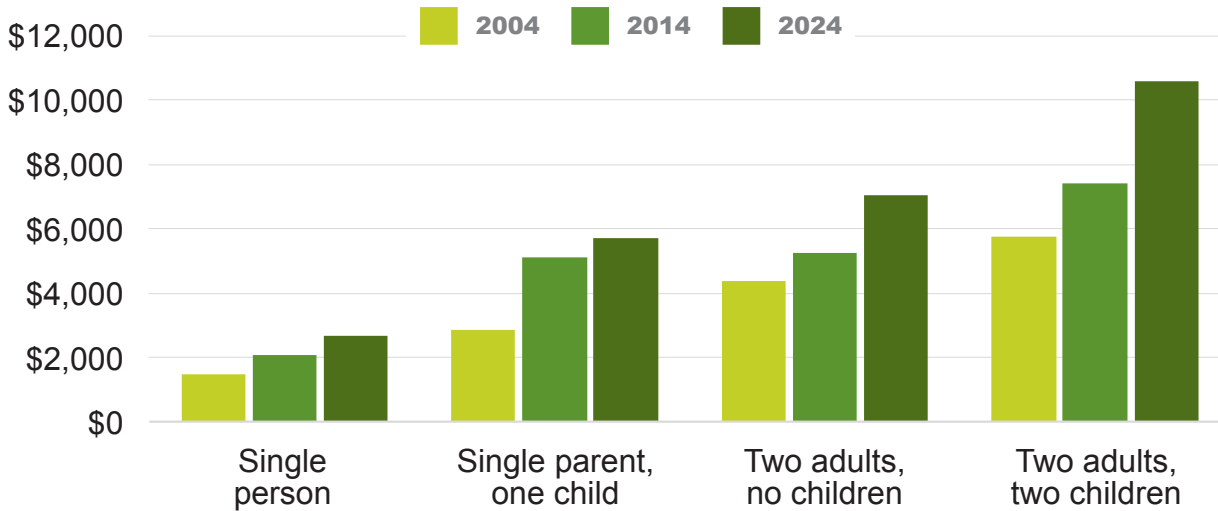
Health insurance, by type of coverage, U.S. and Vermont, 2023



Note: People with public coverage may also have private insurance, but they are not included in the private count. Those with Medicare may also be covered by another public program, but they are counted only under Medicare here.
Data source: U.S. Census, American Community Survey, 2023 1-yr. estimates
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Out-of-pocket healthcare payments nearly doubled for many Vermonters

Annual out-of-pocket healthcare costs for employer-based healthcare, adjusted for inflation, by family type, 2004, 2014, 2024



Data source: Vermont Joint Fiscal Office
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While almost all Vermonters have healthcare coverage, the quality of that coverage varies, and the out-of-pocket costs can still be high. While Medicaid and Dr. Dynasaur provide expansive care with limited out-of-pocket costs for low-income adults and children, seniors on Medicare often purchase a supplemental private plan to pay for care that Medicare does not cover. And Vermonters who get private care through their employers have seen increases in premiums, deductibles, and other out-of-pocket costs in recent years. After growing more slowly than overall inflation from 2021 to 2023, the cost of medical care grew by more than 6 percent from 2023 to 2024. Insurers for small group and individual plans offered on the ACA exchange will impose increases of 11 percent to 23 percent in 2025.

OUT-OF-POCKET HEALTHCARE COSTS

As part of its biennial Basic Needs Budget report, the Joint Fiscal Office estimates out-of-pocket healthcare costs for Vermonters who get their health insurance coverage through their employers. These costs include premiums, deductibles, and co-payments.

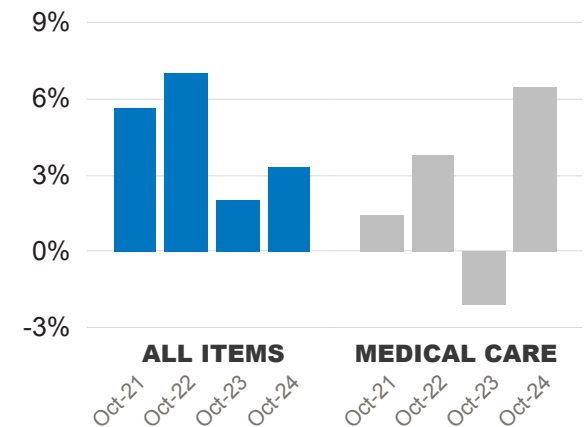
CONSUMER PRICE INDEX

The consumer price index (CPI) is probably the best-known inflation indicator. It tracks changes in the cost of what is called a “market basket” of goods and services, which include food, energy, shelter, clothing, medical care, and transportation. The U.S. Bureau of Labor Statistics issues the index, as well as price changes for individual components, nationally and by region monthly.

INFLATION

Overall inflation has slowed, but medical costs jumped in 2024

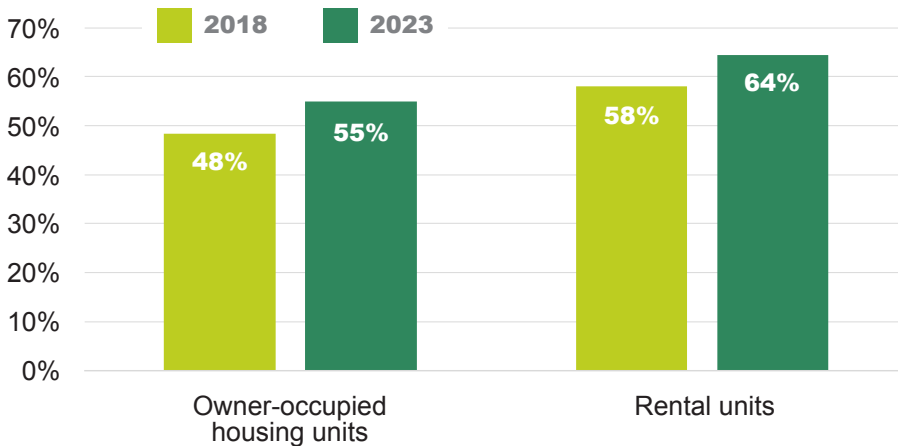
12-month percent change in selected consumer price indexes for New England, Oct 2021-Oct 2024



Data source: U.S. Bureau of Labor Statistics
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Housing strained most household budgets under \$75,000

Percent of Vermont households with income under \$75,000 in unaffordable housing, by unit type, 2018 and 2023



Note: The U.S. Department of Housing and Urban Development defines unaffordable housing as costing more than 30 percent of household income.

Data source: American Community Survey, 1-yr. estimates, 2018 and 2023

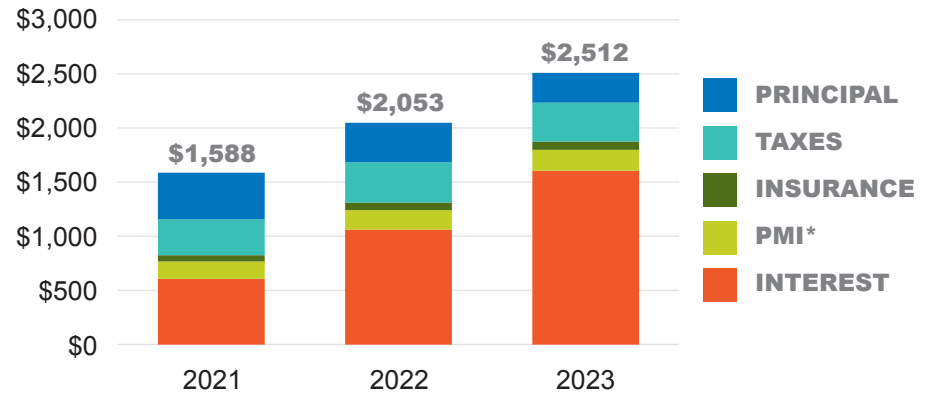
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Housing costs are a major driver of economic insecurity in Vermont. In 2023, of the 50,000 renter households with incomes under \$75,000, nearly two-thirds, or 32,000, spent more than 30 percent of their income on housing—the definition of unaffordability. The same was true for more than half of lower-income homeowners, or 42,000 households.

Mortgage costs are way up. For a house at median price in Vermont, a monthly payment leapt 56 percent in the last two years, from about \$1,600 in 2021 to over \$2,500 in 2023.

Higher interest rates drove up cost for homeowners

Monthly housing payments for median price home, by component, Vermont, 2021-2023



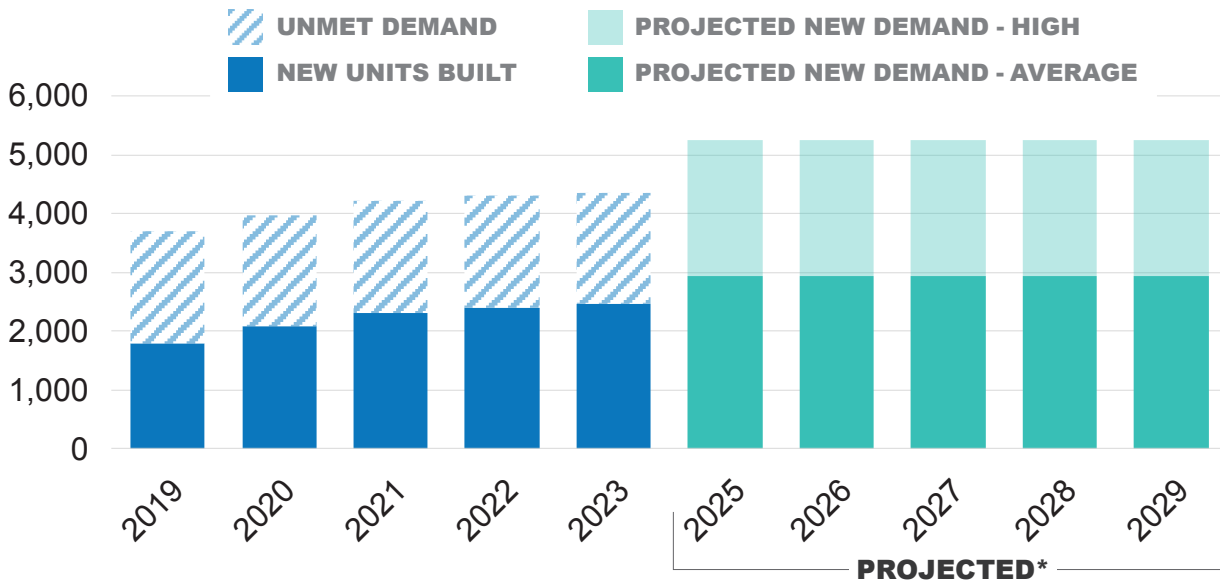
* Private mortgage insurance

Data sources: Vermont Department of Taxes; Vermont Housing Finance Agency; Freddie Mac ©2024 Public Assets Institute

HOUSING AFFORDABILITY

Housing affordability is determined by the percentage of income that households spend on housing. According to the U.S. Department of Housing and Urban Development, housing costing more than 30 percent of household income is unaffordable.

Vermont needs to build housing faster to catch up with demand New privately owned units permitted for construction and additional estimated demand, 2019-2023, and projected housing unit demand, 2025-2029*



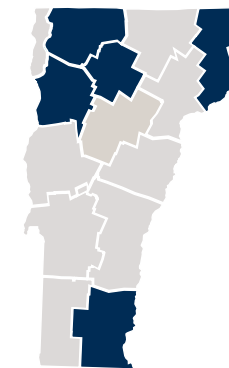
*Note: 2025-2029 data reflect projected demand. The low end is based on average migration to the state, the high end on higher pandemic-era in-migration.

Sources: Vermont Housing Finance Agency; U.S. Census Bureau Building Permit Survey
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NEW HOME CONSTRUCTION

The Federal Reserve Bank of St. Louis uses permits issued for new privately owned residential units to determine the new home construction in an area each year.

Five counties more than doubled short-term rentals since 2017 Total number of short-term rentals by county, Jul 2017-Aug 2024



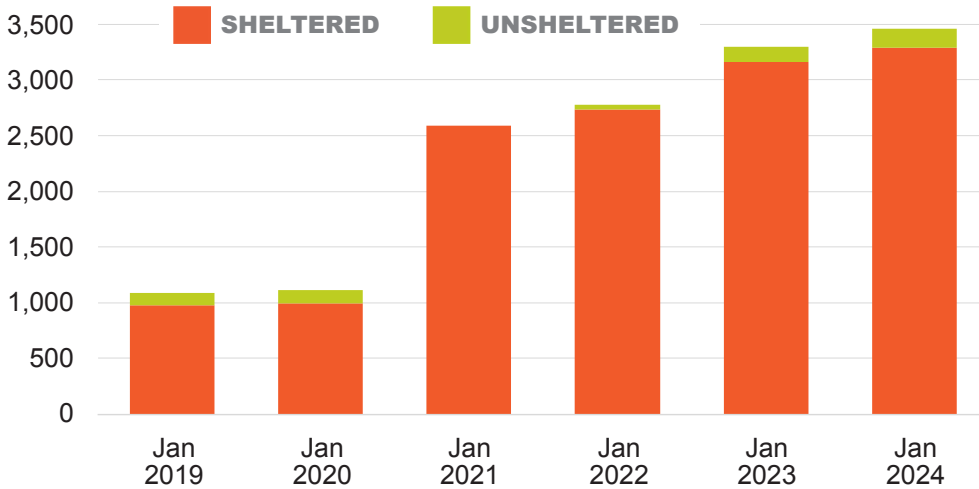
County	2017	2024	Change
Addison	209	337	61%
Bennington	527	907	72%
Caledonia	237	376	59%
Chittenden	454	1,019	124%
Essex	47	102	117%
Franklin	126	293	133%
Grand Isle	151	239	58%
Lamoille	802	1,903	137%
Orange	132	245	86%
Orleans	308	599	94%
Rutland	1,059	1,719	62%
Washington	614	1,051	71%
Windham	946	1,913	102%
Windsor	982	1,798	83%

Source: Vermont Housing Finance Agency
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Vermont’s high housing costs are largely driven by limited supply. New residential housing construction has not kept up with demand in recent years, averaging about 2,200 new units per year since 2019. The Vermont Housing Finance Agency estimates that the state needs nearly 10,000 new units to catch up on the backlog; it will need 3,000 to 5,000 additional units per year between 2025 and 2029 to keep pace with migration to the state, replace aging housing stock, and account for shrinking household size. In addition to limited new construction, other factors are constraining supply. The 2023 floods permanently destroyed 300 units and temporarily damaged 1,300 more. The increasing number of short-term rental properties such as Airbnb or Vrbo units is also contributing to the shortage of permanent units, particularly in certain areas of the state.

Homelessness has tripled since the beginning of Covid

Homeless Vermonters with and without shelter, Jan 2019-Jan 2024



Note: These numbers reflect the count in January of each year when seasonal shelter is available; they do not reflect those unsheltered in the summer and fall of 2024, when additional limits were imposed. Data source: U.S. Department of Housing and Urban Development ©2024 Public Assets Institute

Nearly 3,500 Vermonters were identified as homeless in January 2024, one of the highest per capita rates in the country and triple the number before the pandemic. During the pandemic, the state used federal relief funds to house people in motels, which had few guests at that time, and changed the eligibility rules so that more people qualified for assistance. When federal pandemic-related housing aid ended in the spring of 2023, the state returned to pre-Covid eligibility rules. Since then the state has extended shelter programs multiple times for eligible groups. But it put in place additional limits in July 2024, resulting in the eviction of over 1,500 people from shelter in the fall of 2024. A more expansive seasonal shelter program is in effect from December through March.

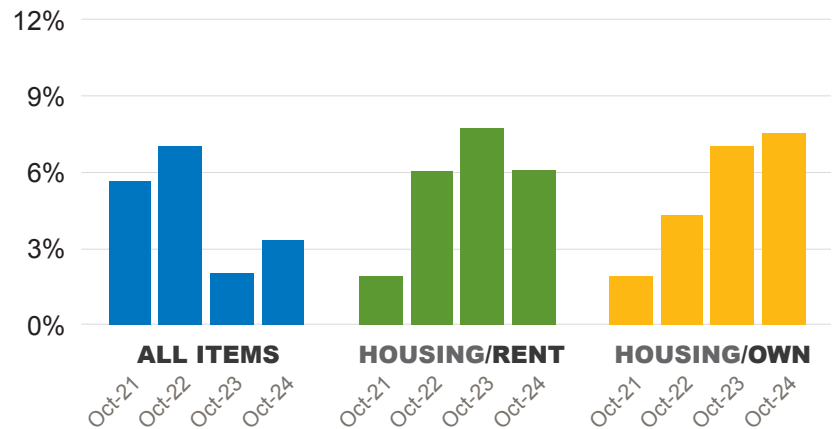
POINT-IN-TIME HOMELESS COUNT

The point-in-time homeless count is a measure of the number of people living in emergency shelters, hotels, transitional housing, and places not meant for human habitation. It does not include households doubled up with family or friends. The figure is based on a census taken each year in one 24-hour period in January. Vermont housing organizations conduct the survey using methods established by the U.S. Department of Housing and Urban Development.

INFLATION

Housing costs rose faster than inflation

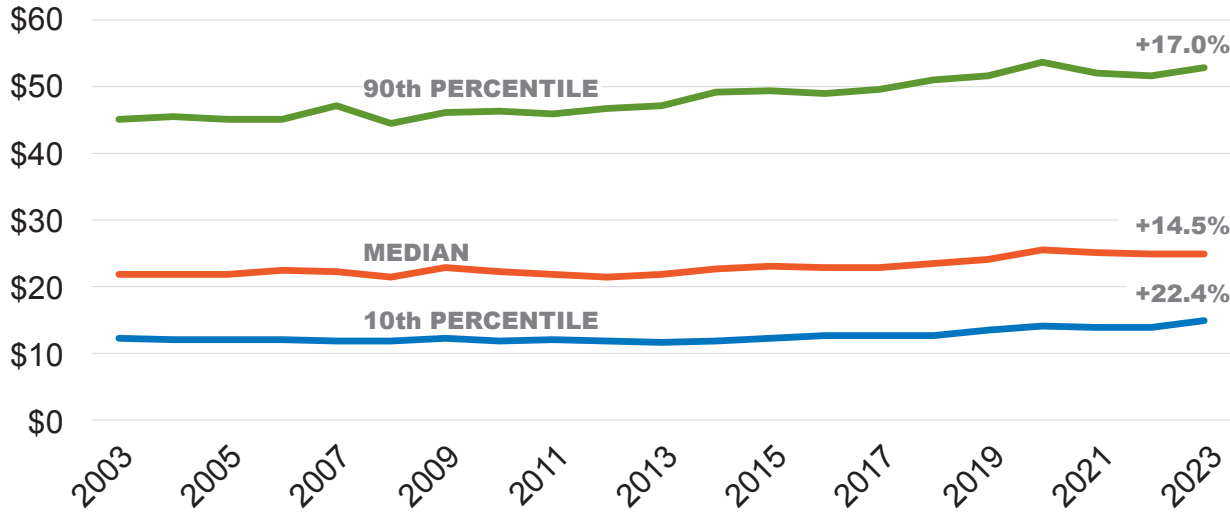
12-month percent change in selected consumer price indexes for New England, Oct 2021-Oct 2024



Data source: U.S. Bureau of Labor Statistics ©2024 Public Assets Institute

Lowest wages grew fastest in recent years

Real wages by select percentile, Vermont, 2003-2023



Source: Economic Policy Institute analysis of Current Population Survey microdata from the U.S. Bureau of Labor Statistics
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Wages have not kept up with economic growth over the last two decades. While recent wage growth has made up some ground in the last few years, particularly at the low end of the scale, the preceding years of stagnant wages mean that many Vermonters are still struggling to afford their basic needs.

HOURLY WAGE BY PERCENTILE

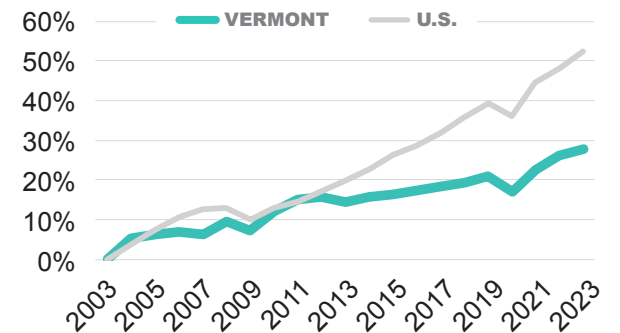
Hourly wage by percentile shows the share of workers making above or below a given wage at a particular time. At the 10th percentile, 10 percent of workers make less than that amount per hour and 90 percent make more. Each year the U.S. Census publishes hourly wages for selected percentiles. Tracking these levels over time indicates which workers are seeing their wages rise or fall.

GROSS STATE PRODUCT

Gross state product (GSP) is the total value of goods and services produced by the state. It is the state counterpart of gross domestic product (GDP), the total national output.

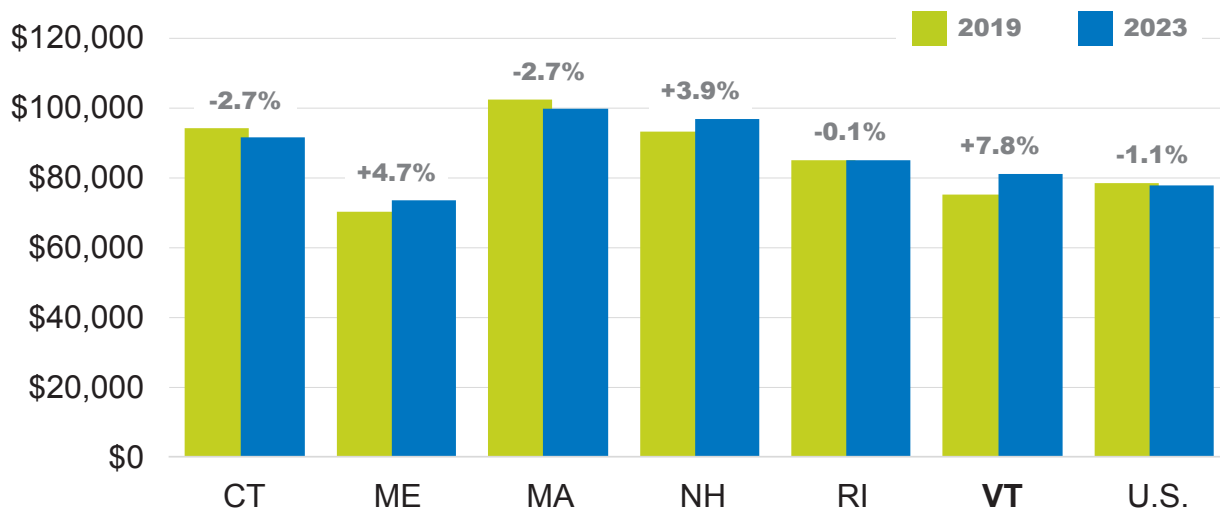
Gross state product increased nearly 30 percent in 20 years

Cumulative growth in Vermont GSP and U.S. GDP, 2003-2023



Data source: U.S. Bureau of Economic Analysis
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Vermont household income grew the most in the nation but was still low for New England Real median household income, New England states and U.S., 2019-2023



Data sources: Center on Budget and Policy Priorities analyses of American Community Survey 1-yr. estimates, 2019 and 2023; U.S. Census, American Community Survey, 2019 and 2023 1-yr. estimates
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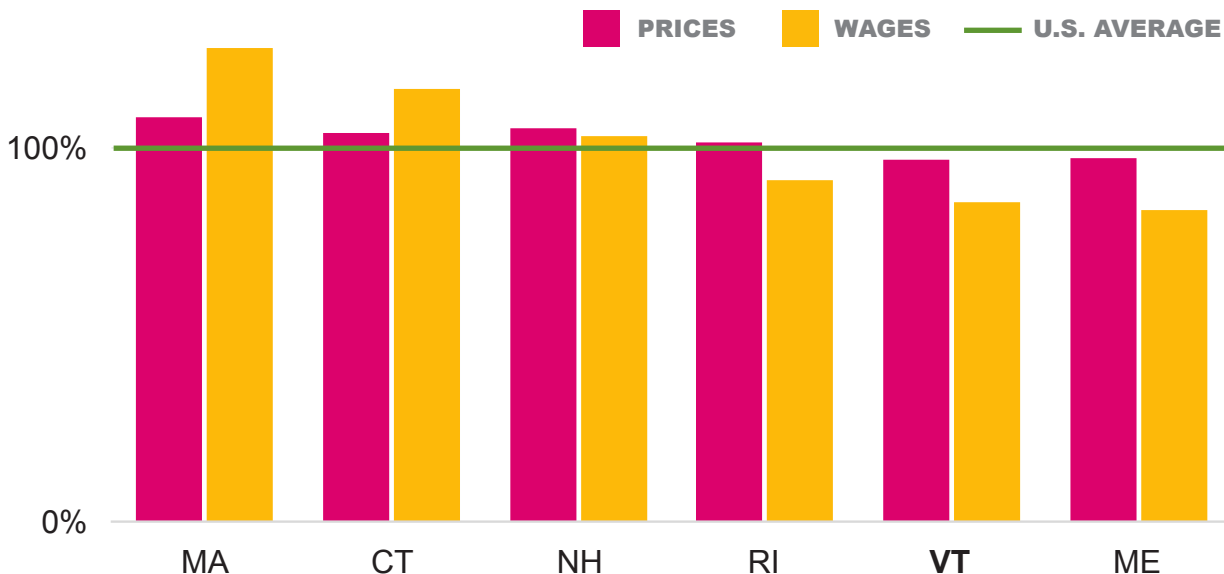
Vermont’s real household income grew 7.8 percent from 2019 through 2023. While that was the sharpest rise in the country, Vermont still ranked 17th in household income, up from a ranking of 26th in 2019 but still behind most of the other states in the region. For most Vermonters, household income is the sum of the wages earned by members of the household, so this increase may reflect an increase in household size rather than real gains. For wealthier Vermonters, a greater share of income is unearned, from sources such as investments.

MEDIAN HOUSEHOLD INCOME

Median household income is the middle amount of annual income—half of Vermont households receive more than the median and half receive less. Household income includes the income of all household members over the age of 15.

Vermont prices are average, wages are low

Average prices and wages as a percentage of U.S. averages, New England states, 2023



Data sources: U.S. Bureau of Economic Analysis; U.S. Bureau of Labor Statistics
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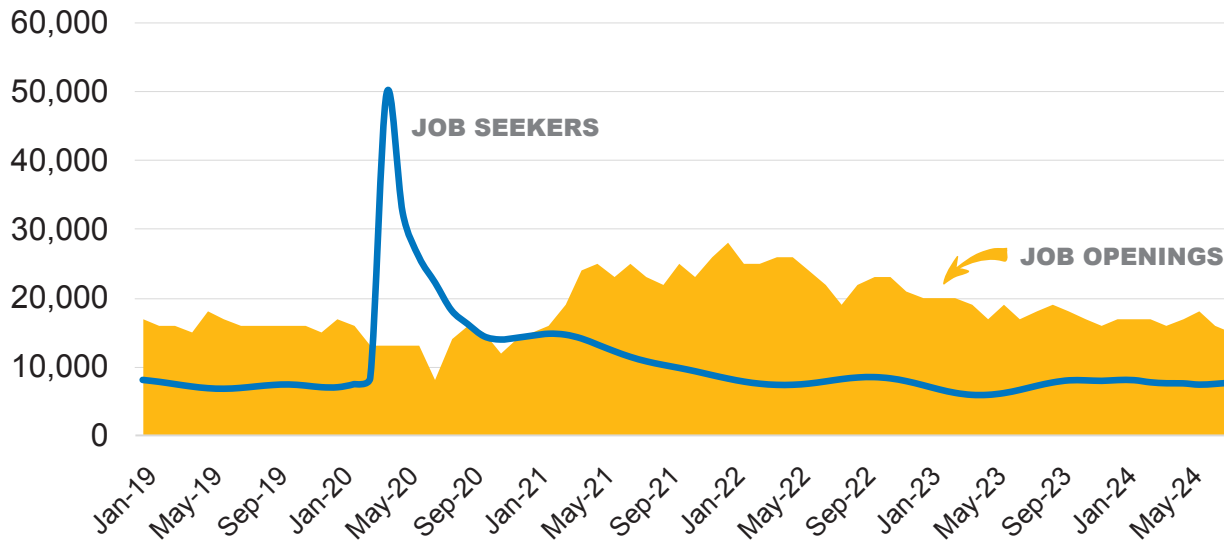
Vermont's average wages have trailed the nation's for decades, while prices are average. That wage lag is driven by two factors: Wages for many jobs in Vermont are lower than for the same jobs in other states; and very highly paid workers in just a handful of states pull up the national figure. In fact, most states' wages are lower than the average. But Vermont has one of the biggest gaps between wages and prices. In many states, wages correspond more closely to prices.

PRICE & WAGE GAP

The U.S. Bureau of Economic Analysis gathers price data for a variety of items, including food, transportation, housing, medical services, and other goods and services, and creates a parity index that shows state and regional prices in relation to a national average of prices. The U.S. Bureau of Labor Statistics collects wage data from employers and publishes average annual wages for the U.S. and individual states. The wage index is a ratio of state wages to the national wage, where the national average equals 100. Viewed together, these two figures show the gap between prices and wages.

Job openings continued to outweigh job seekers after Covid

Vermont job openings and unemployed, seasonally adjusted, Jan 2019-Aug 2024



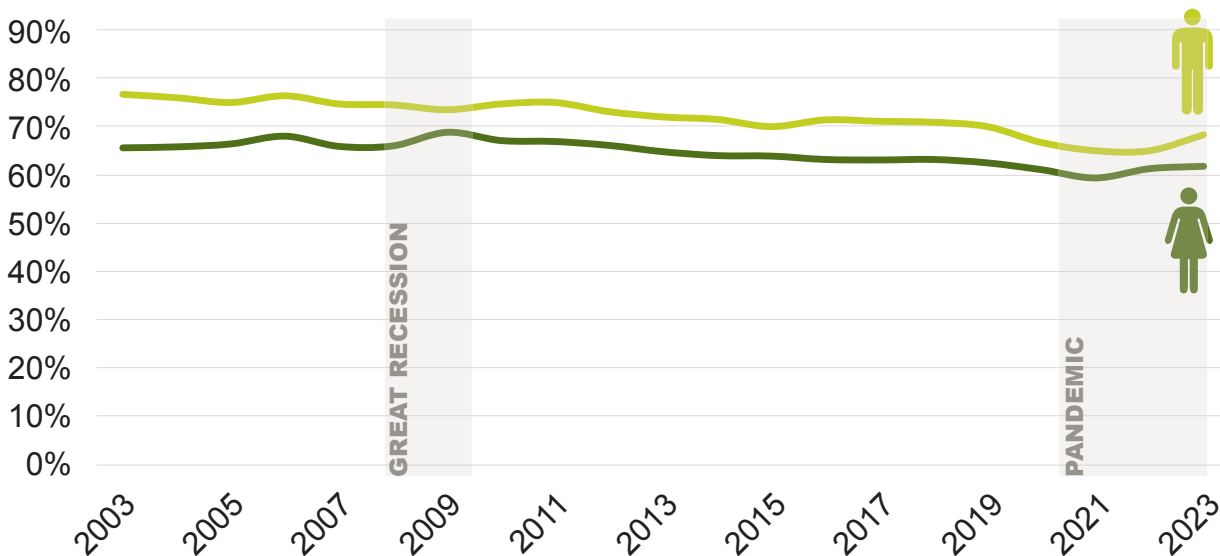
Data source: U.S. Bureau of Labor Statistics
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For over three years—from July 2021 to July 2024—Vermont had more than two job openings for every person looking for work. Over the same period, the state’s unemployment rate remained under 3.5 percent, among the lowest in the country. At the state level there are no details about the types of jobs available or the levels of pay, information that might help explain why more Vermonters have not rejoined the workforce since the pandemic.

JOB OPENINGS

The U.S. Bureau of Labor Statistics tracks job openings reported by employers monthly, by state. Comparing job openings to the number of people who are officially unemployed—that is, jobless and actively seeking work—provides a measure of the labor market. In times of recession, there may be five or more unemployed workers per job opening. In the current period of low unemployment, there are more jobs than people to fill them.

Since the pandemic, men and women have slowly returned to work Vermont labor force participation rate by sex, 2003-2023



Source: Economic Policy Institute analysis of Current Population Survey microdata from the U.S. Bureau of Labor Statistics
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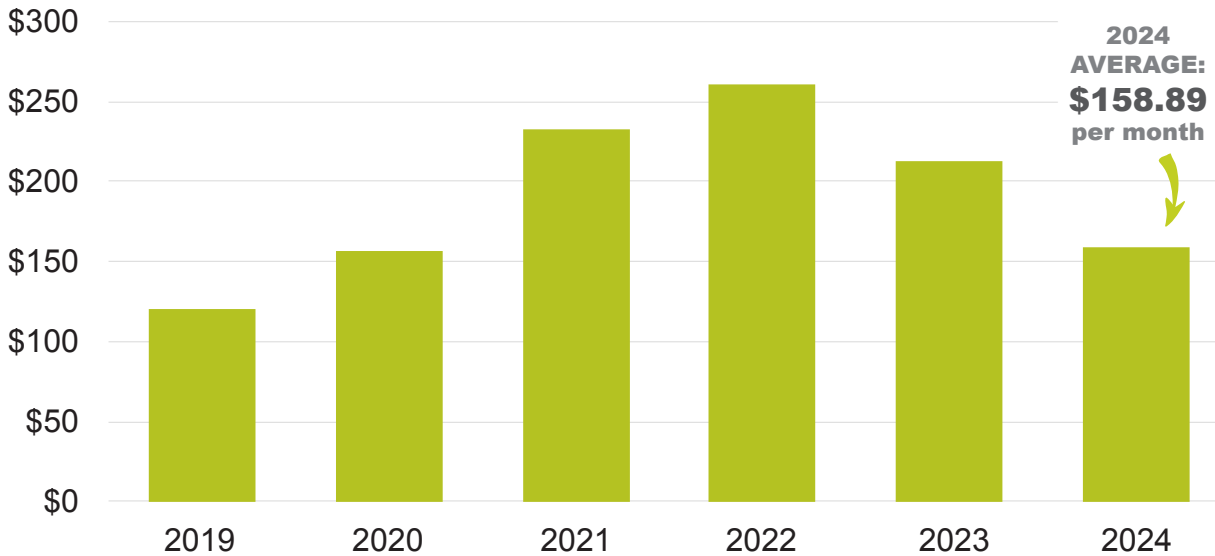
The labor force participation rate for men has been gradually falling for the last 20 years, although it has regained some ground since declining during the pandemic. Meanwhile, the rate for women held relatively steady between 2003 and 2013, before beginning to decline. Women’s participation has similarly recovered since the pandemic, but still not to pre-Great Recession levels. For both men and women, Vermont has typically maintained higher participation rates than the U.S. as a whole. And while Vermont has one of the smallest gender wage gaps in the country, women still earn less than men.

LABOR FORCE PARTICIPATION RATE

The labor force comprises people who are employed and those who are unemployed and actively looking for work. The labor force participation rate is the percentage of working-age people (16 and over) who are in the labor force. The U.S. Bureau of Labor Statistics (BLS) calculates the rate for different demographics, including age, race, and sex. BLS provides two categories for sex: men and women.

Food benefit amounts were back to pre-pandemic levels

Average monthly 3SquaresVT benefit per person, 2019-2024



Data source: Vermont Department for Children and Families
©2024 Public Assets Institute

More than 10 percent of Vermonters accessed 3SquaresVT in 2024—about 66,000 people. That share has been consistent since before the pandemic. What has varied is the benefit amount those recipients have gotten each month. During the peak of Covid, 2021 to 2023, the per-person monthly benefit was over \$200, peaking at \$260 in 2022. In 2024, after federal Covid relief funds ended, it dropped back to just over \$150, meaning Vermonters have nearly \$650 less per year to cover food costs than they did in 2023. The cost of food has not tracked overall inflation. While inflation was highest in 2021 and 2022, food prices saw much bigger spikes in 2022 and 2023 and little change in 2024.

3SQUARESVT ASSISTANCE

3SquaresVT provides food assistance to Vermonters with incomes up to 185 percent of federal poverty guidelines. Participants receive benefits through the federal Supplemental Nutrition Assistance Program (SNAP).

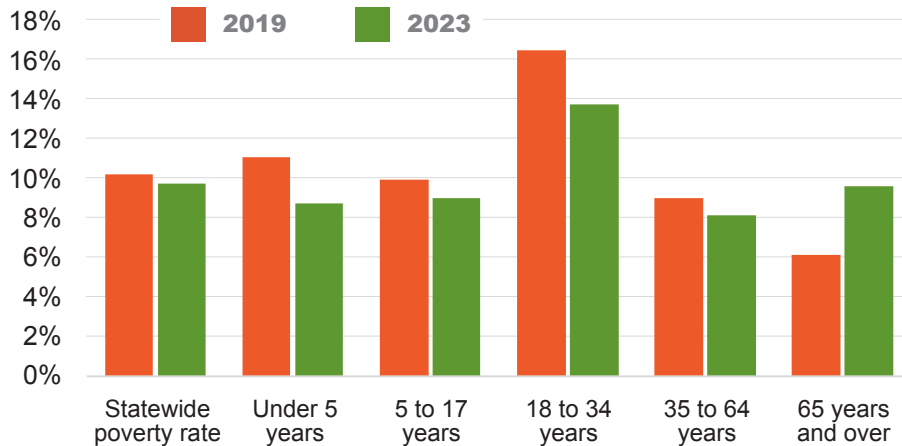
INFLATION

Growth in food costs spiked in 2022, then leveled off 12-month percent change in selected consumer price indexes for New England, Oct 2021-Oct 2024



Data source: U.S. Bureau of Labor Statistics
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Poverty ticked down, except for older Vermonters Poverty rate by age, 2019 and 2023



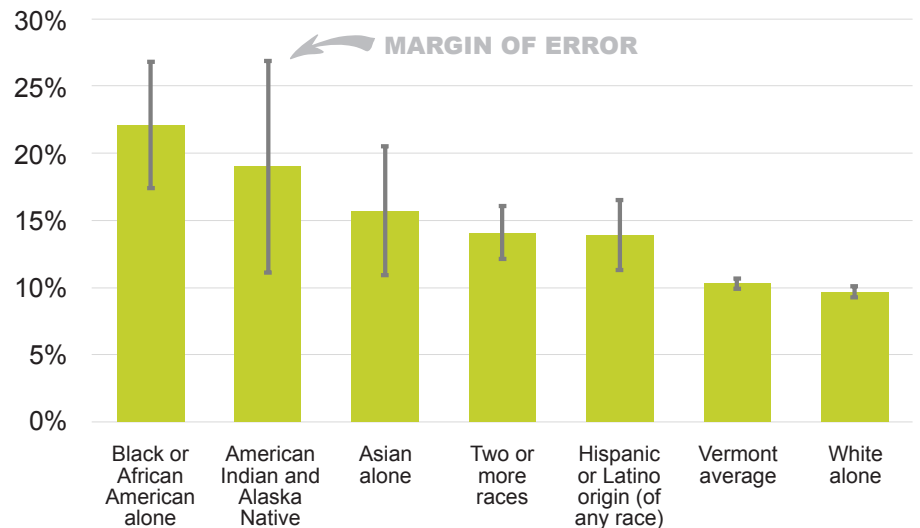
Data source: U.S. Census, American Community Survey, 2019 and 2023 1-yr. estimates ©2024 Public Assets Institute

Vermonters over 65 saw a jump in poverty, with nearly 6,000 more falling below the threshold since 2019. The poverty rate for Black Vermonters was more than double the rate for all Vermonters in 2023. Both patterns replicate those in the country as a whole. Vermont saw the biggest increase in elder poverty among the New England states.

OFFICIAL POVERTY RATE BY AGE & RACE

The official poverty rate is the share of the population living below the federal poverty threshold, determined by family size. The U.S. Census Bureau tracks the poverty rate by many demographics, including age and race. Because the number of Vermonters of color is relatively small, five-year estimates—based on surveys collected over five years and, therefore, representing a larger population sample—provide a more reliable picture of the differences. Nevertheless, some of the estimates have large margins of error.

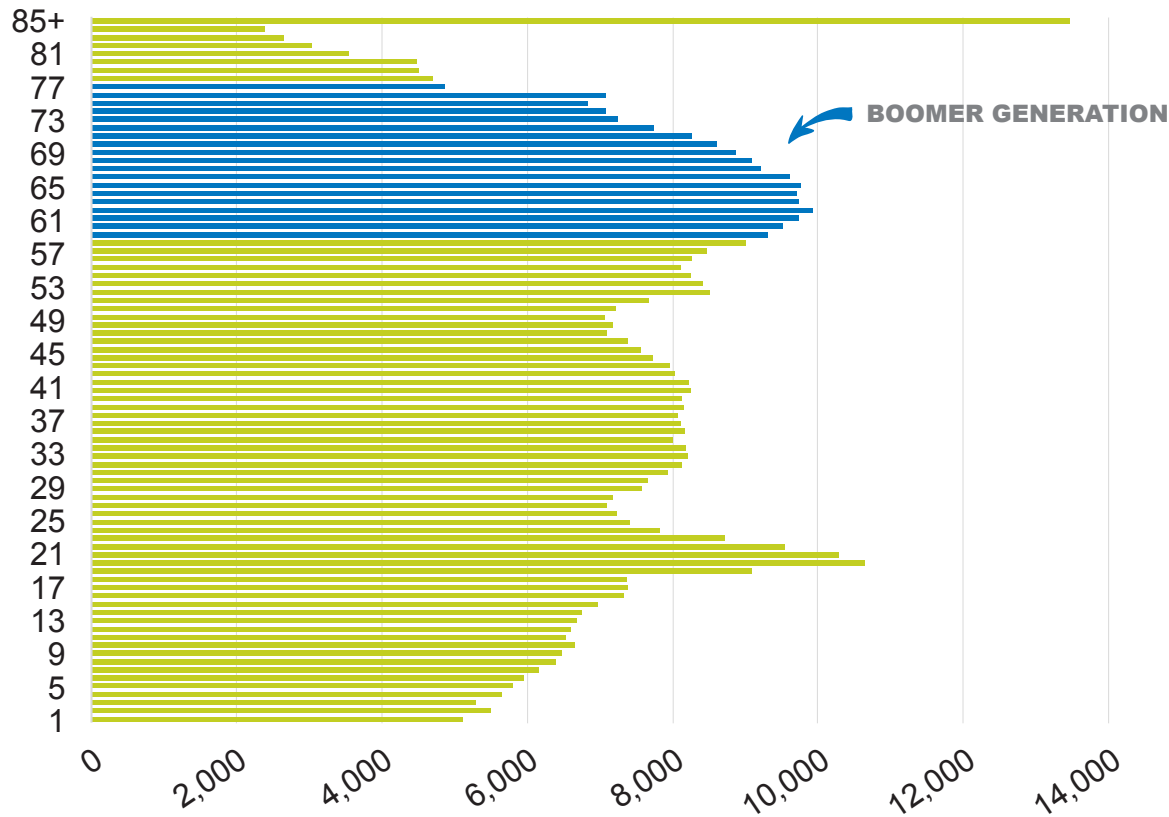
Poverty for Vermonters of color exceeded the state average Poverty rate by race and Vermont average, with margin-of-error bars, 2023



Data source: U.S. Census, American Community Survey, 2023 5-yr. estimates ©2024 Public Assets Institute

Most Vermont baby boomers are over 65

Vermont population by age, 2023



Over 64 percent of Vermont’s baby boomers—people born between 1946 and 1964—were 65 or older as of 2023, the age at which they become eligible for Medicare. They become eligible for full Social Security benefits at age 66 or 67, depending on their birth year. Labor force participation has been increasing for older Vermonters. At 26 percent in 2023, it was the highest in the country. But that’s much lower than the participation rate for workers under 65.

Data source: U.S. Census Bureau
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Vermont gained nearly 4,400 people in three years

Components of Vermont's population change, 2020-2023



2020 population	643,077
births	+16,913
deaths	-22,104
net international migration	+2,757
net migration with other states	+6,746
unspecified changes	+75
2023 population	647,464

Data source: U.S. Census Bureau
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Vermont's population has increased by 4,387 since the start of the decade. Deaths outnumbered births, but net positive migration (in-migration minus out-migration), both international and domestic, drove the overall increase. All counties except Rutland and Bennington have added population since 2020, with Grand Isle seeing the biggest percentage increase.

CENSUS POPULATION ESTIMATES

The U.S. Census Bureau produces cumulative population estimates in July of each year from the starting point of April 1, 2020. Population estimates include data on births, deaths, and net international and domestic migration. Data come from the National Center for Health Statistics, Federal-State Cooperative for Population Estimates, Internal Revenue Service, Medicare, Social Security Administration, American Community Survey, and international population registers and censuses.

SECTION 2: Policies that work—and can work better

OFFICIAL STATE POVERTY RATE

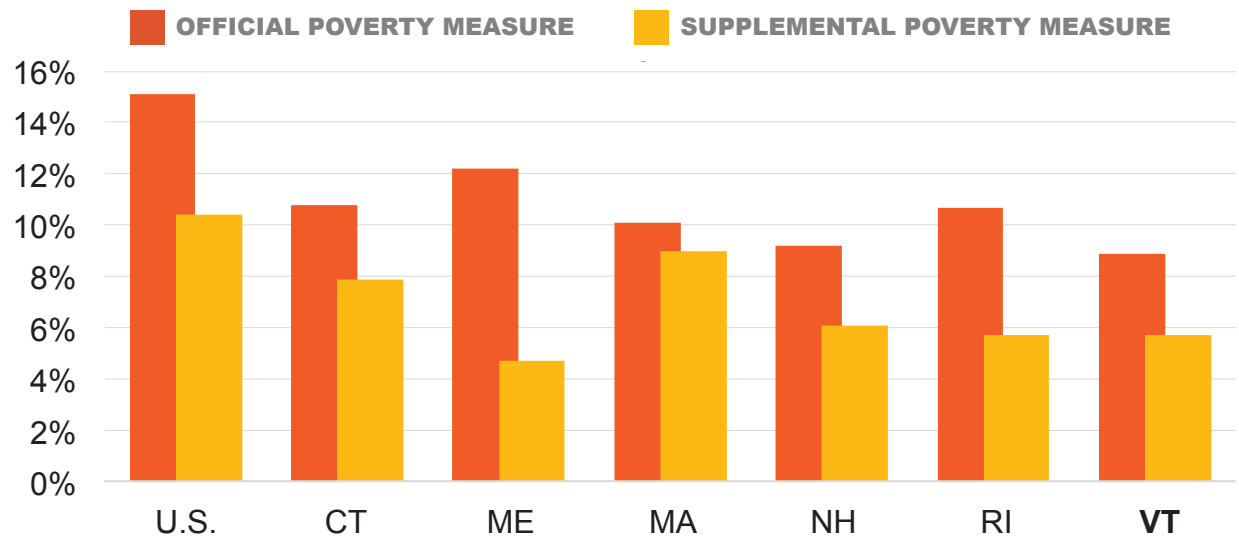
The poverty rate is the share of the population with income below the federal poverty threshold, determined by family size. The thresholds, established in 1963, are updated yearly. While the official measure has limitations, over time it indicates changes in the share of Vermonters who are considered poor and which groups experience more poverty than others by tracking it based on age, race and other demographics. Income includes federal and state cash assistance.

SUPPLEMENTAL POVERTY MEASURE

The supplemental poverty measure includes cash income and noncash benefits like tax credits and childcare and healthcare subsidies. It also factors in the cost of food, clothing, shelter, and utilities.

Government programs cut childhood poverty across New England

Official and Supplemental Poverty Measures for childhood poverty, three-year average, 2021-2023

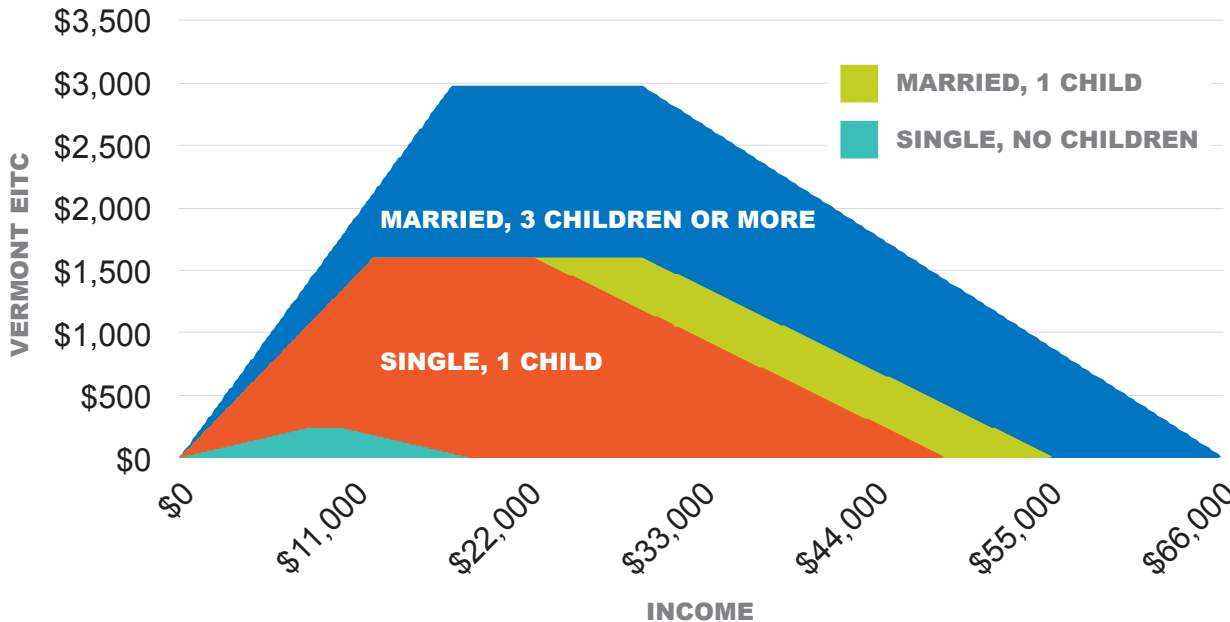


Data source: U.S. Census Bureau
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When government aid is accounted for, childhood poverty drops. The Supplemental Poverty Measure accounts for noncash aid; the Official Poverty Rate does not. That decline holds true across the New England states and the U.S. as a whole. In Vermont, childhood poverty was a third lower from 2021 through 2023 when government benefits were counted. State-level refundable tax credits, particularly the Child Tax Credit enacted in 2022, helped lift 3,000 Vermont kids out of poverty during this period.

Vermont's Earned Income Tax Credit provides cash to families, especially those with children

Vermont EITC by income, select filing status, and number of children, 2024



Data source: Internal Revenue Service draft tax form table
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The Earned Income Tax Credit (EITC) and Child Tax Credit (CTC) provide cash to families, reducing poverty and providing flexibility to meet their differing needs. The state EITC is 38 percent of the federal credit. In 2021 Covid relief increased the federal EITC for filers without children and expanded eligibility, leading to an increase in uptake at the state level too. In 2022, the Vermont Legislature enacted a Child Tax Credit for families with young children. In its second year, the CTC provided \$24 million to 20,000 Vermont families, while 32,500 households claimed \$26 million from the state EITC.

REFUNDABLE TAX CREDITS

Refundable tax credits are used to reduce personal income taxes; if the credit is more than the taxes due, the taxpayer receives the difference as a tax refund. Vermont's Earned Income Tax Credit (EITC), which supplements the federal EITC and is available to low- and moderate-income working families and individuals, is a refundable credit. The Vermont Child Tax Credit (CTC), which can be claimed for each child under 6, was adopted in 2022 and is also refundable.

Vermont Child Tax Credit

Annual credit per child under 6, by family income, 2024

Income	Credit/child under 6
\$0-\$125,000	\$1,000
\$125,000-\$175,000	credit phases out

Source: Vermont Department of Taxes
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Earned Income Tax Credit

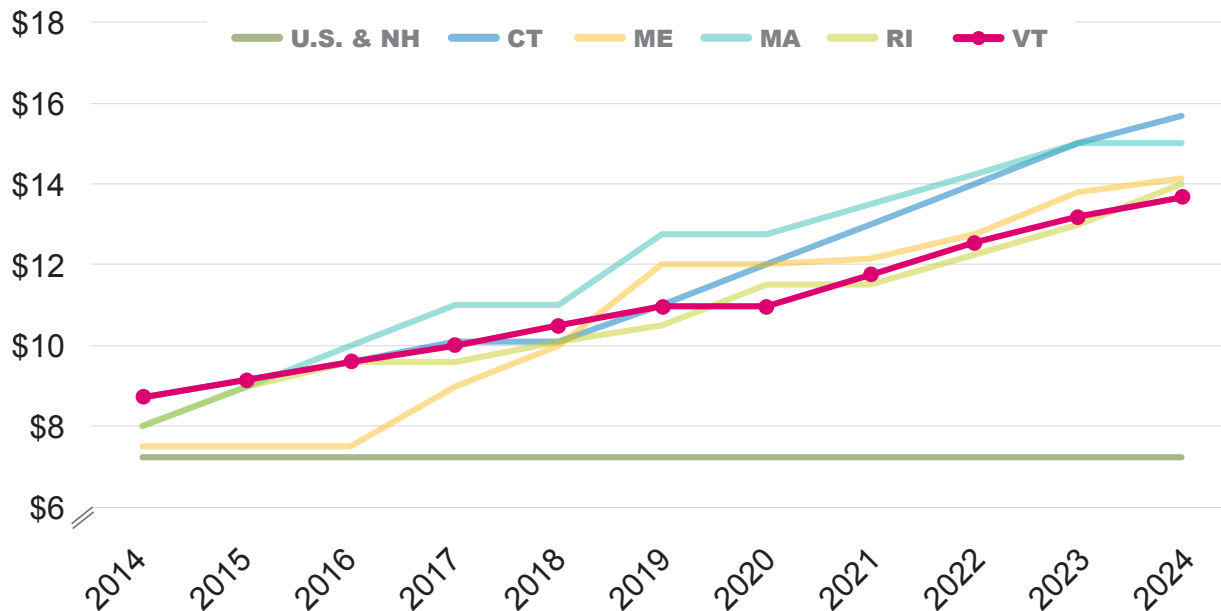
Maximum EITC for Vermonters, by family type, 2024

Family type	U.S.	+ VT	= TOTAL
Vermont credit is 38% of federal			
Single, no kids	\$ 632	\$ 240	\$872
Single, 1 kid	\$4,213	\$1,601	\$5,814
Married, 1 kid	\$4,213	\$1,601	\$5,814
Married, 3+ kids	\$7,830	\$2,975	\$10,805

Source: Internal Revenue Service draft tax form table
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Vermont once had the highest minimum wage in New England. Now it's the second lowest

Minimum wage, New England states and U.S., 2014-2024



Data source: U.S. Department of Labor
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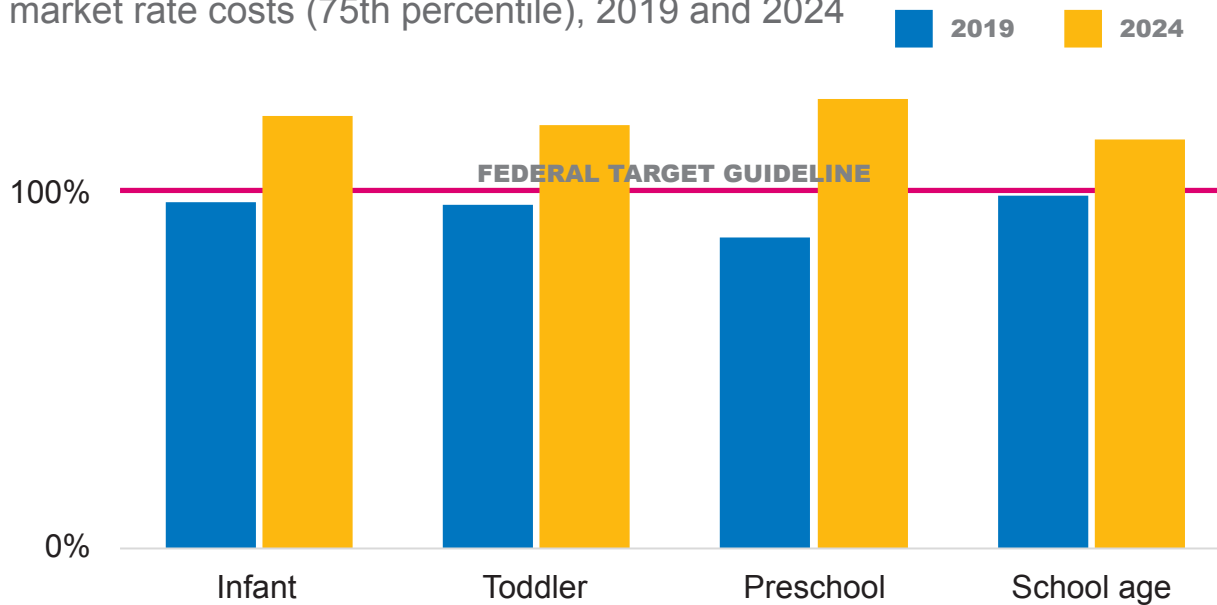
Vermont is one of 20 states where the minimum wage is indexed to inflation and increases automatically each year. The minimum wage in Vermont was \$13.67 in 2024 and increased to \$14.01 on January 1, 2025; the tipped minimum wage is half the standard minimum wage. Vermont began indexing in 2007, earlier than many states, and has also raised the wage by more than inflation multiple times since then. However, Vermont still has the lowest minimum wage of any of the New England states except New Hampshire, which matches the federal minimum of \$7.25 per hour. Vermont's tipped minimum is higher than all other states' in the region except Maine.

MINIMUM WAGE

The minimum wage is the lowest hourly wage employers may pay employees covered under the Fair Labor Standards Act. The federal minimum wage has been \$7.25 per hour since 2009. Many states, including Vermont, set their own minimum wage.

Childcare reimbursement rates finally hit their target

Maximum CCFAP* payment as percent of full-time licensed centers market rate costs (75th percentile), 2019 and 2024



* Child Care Financial Assistance Program

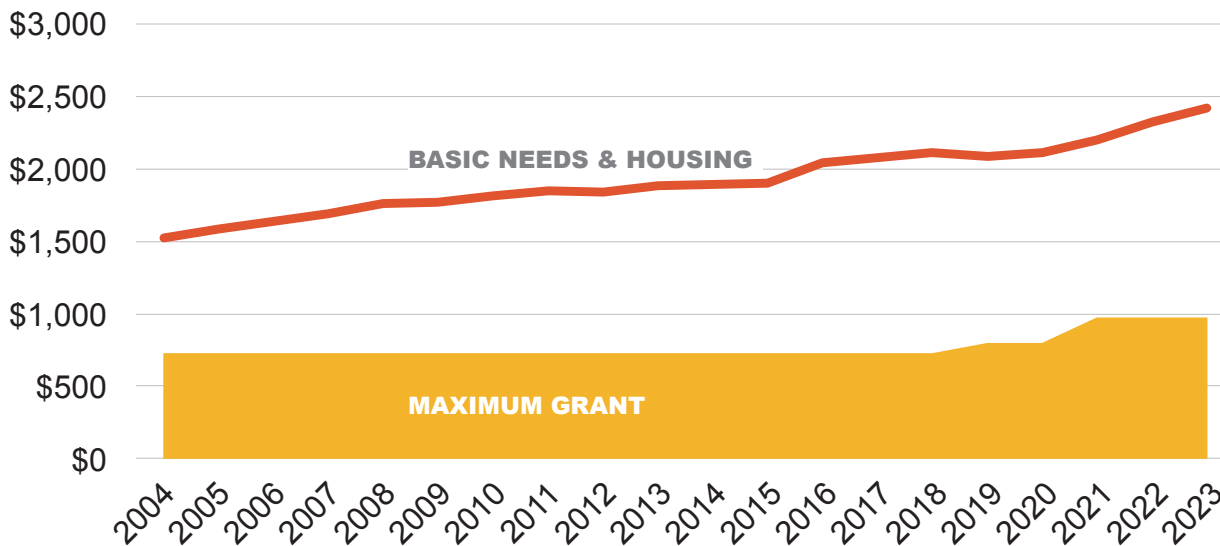
Data source: Vermont Department for Children and Families
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In 2023, Vermont committed over \$100 million annually to expand access to childcare and improve the system for providers and families. The investment increased the subsidies as well as the number of families eligible for them. One challenge has been matching supply to demand. After an abrupt decline during the pandemic, enrollment has been growing again but was not back to 2019 levels by the end of 2023. Total licensed capacity for centers has increased in the state, but providers are struggling to staff programs or meet demand in some areas of the state.

ACCESS TO CHILDCARE

Access to childcare is the percentage of childcare facilities low-income families can afford with state subsidies. Vermont’s Child Care Financial Assistance Program (CCFAP) pays subsidies based on the federal guideline of ensuring access to 75 percent of the market. The higher the subsidy, the more providers families have to choose from.

Increased Reach Up grant helped, but still met less than half of basic needs Cost of basic needs and housing, and maximum monthly Reach Up grant, family of four, 2004-2023



Data source: Vermont Department for Children and Families
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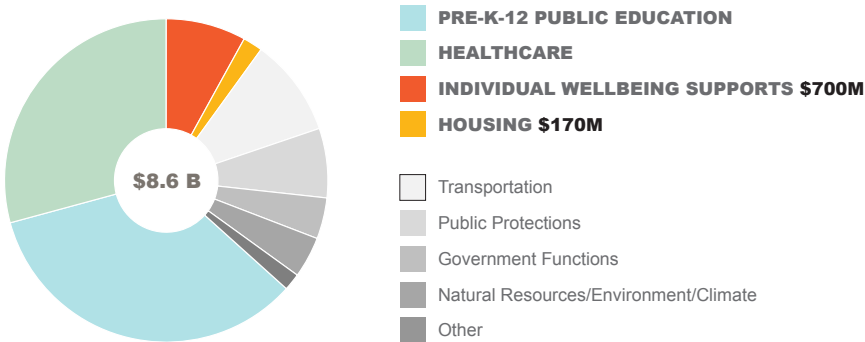
REACH UP

Reach Up is Vermont’s primary cash assistance program for families in poverty, part of the federal Temporary Assistance to Needy Families (TANF) program and administered by the Department for Children and Families. It provides cash assistance, case management, and support services to Vermont families with children with the statutory goal to ‘improve the wellbeing of children by providing for their immediate basic needs.’

Reach Up provides cash assistance to low-income Vermonters with children based on an estimate of the cost of basic needs and housing. It’s a different—and much lower—standard than the Basic Needs Budget amount in the state’s livable wage report, more a bare minimum than a self-sufficiency standard. For the last 20 years, the state has aimed to provide a maximum benefit that covers half that minimum basic needs amount. But for 15 years, from 2004 to 2019, the state did not update the benefit amount for inflation, continuing to use the 2004 basic needs standard. To address the increasing gap between what families needed and what the program provided, the state began basing grants on the 2008 basic needs amount in 2019, and in 2021 started using the 2019 standard, where it remains. The current maximum benefit for a family of four is \$976, which covered 40 percent of basic needs in 2023. The housing allowance is still based on 2001 housing costs, which have risen by 66 percent since then.

Programs that make Vermont affordable are a small share of the state budget

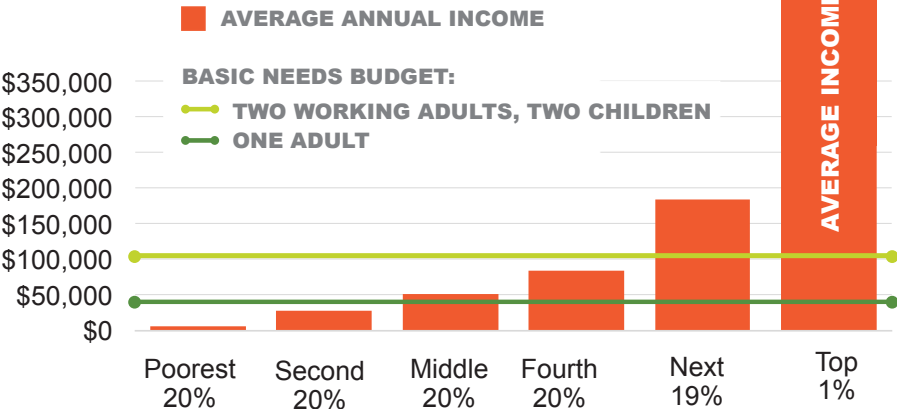
Vermont state budget, by subcategory, FY2025



Data source: Vermont Joint Fiscal Office ©2024 Public Assets Institute

Many low- and middle-income Vermonters fell short of their basic needs. The top 1% had more than enough left over

Average annual adjusted gross income by quintile and basic needs budget, 2022



Data sources: Vermont Joint Fiscal Office; Vermont Department of Taxes ©2024 Public Assets Institute

Conclusion

More than half of single adults in Vermont, with kids or without, cannot afford to meet their basic needs. Even many two-earner households fall short. Meanwhile, the wealthiest Vermonters have over \$1 million left annually after covering their needs.

The state budget reflects our priorities. Healthcare and pre-K-through-12 public education each account for about a third of the total state budget. But the other policies and programs that help make Vermont affordable—like cash assistance, food programs, childcare subsidies, and housing support—together account for only 10 percent. That means reasonable, targeted investments in these areas can make a big, immediate difference to Vermonters struggling to afford their basic needs.

Our laws enshrine the promises we’ve made to each other: that everyone has quality healthcare, housing, dignified work, education, food, social security, and a healthy environment. We have the resources to deliver on these promises and make Vermont a state that is both affordable and equitable for everyone who lives here.

**State of
Working
Vermont**
2024



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