

September 2016

A Framework for Progress:
Investing in Vermont's people,
infrastructure,
and good government



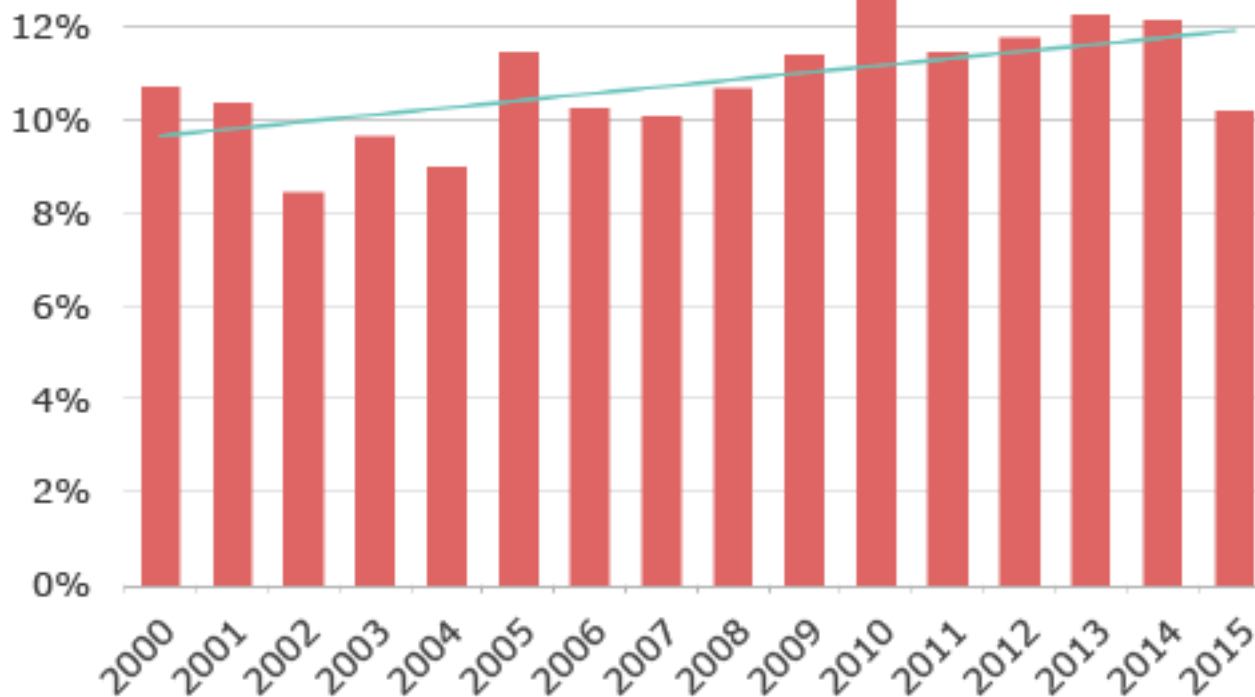
DECEMBER 2016



State of Working
Vermont
2016

60,000 Vermonters remained poor despite a poverty rate drop in 2015

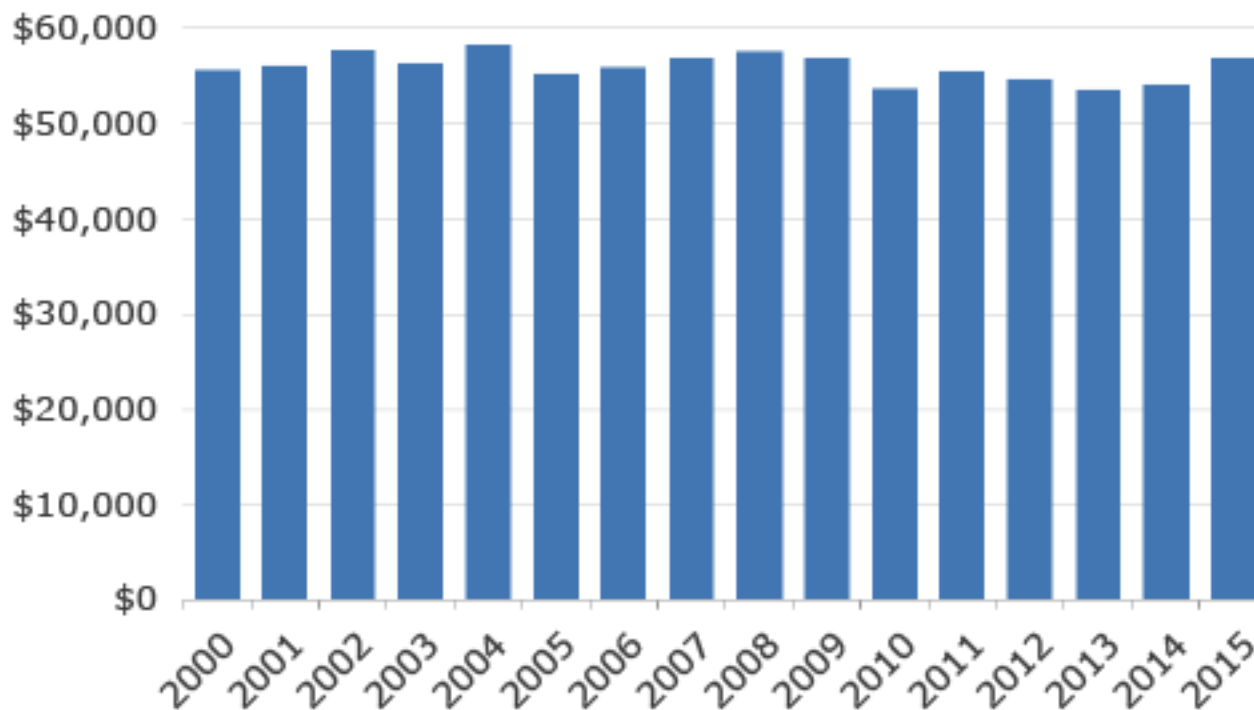
Annual poverty rate, with trendline, 2000-2015



Data source: U.S. Census, American Community Survey, 2000-2015 1-year estimates
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Vermont incomes have stagnated since 2000

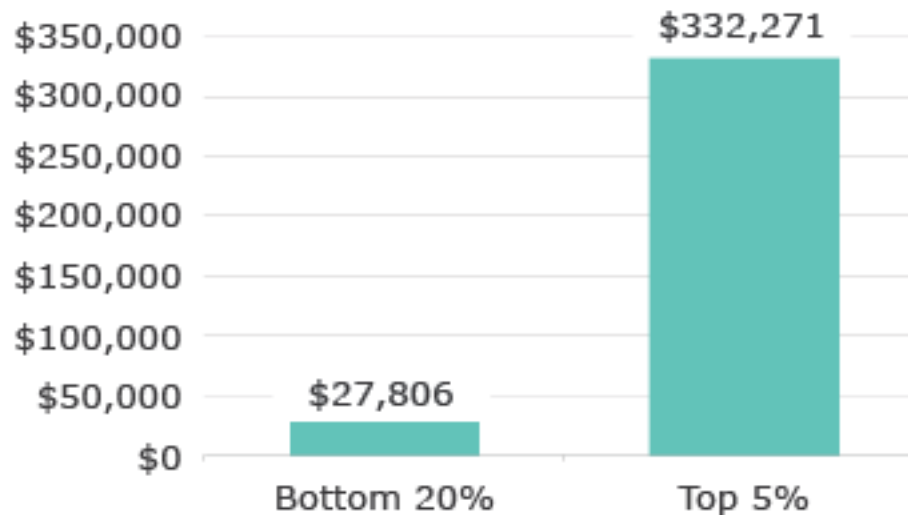
Median household income, adjusted for inflation,
 2000-2015



Data source: U.S. Census, American Community Survey, 2000-2015 1-year estimates
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Richest Vermonters' incomes were 12 times those of the poorest

Average income for a family of four in the bottom 20 percent and top 5 percent of families, 2015

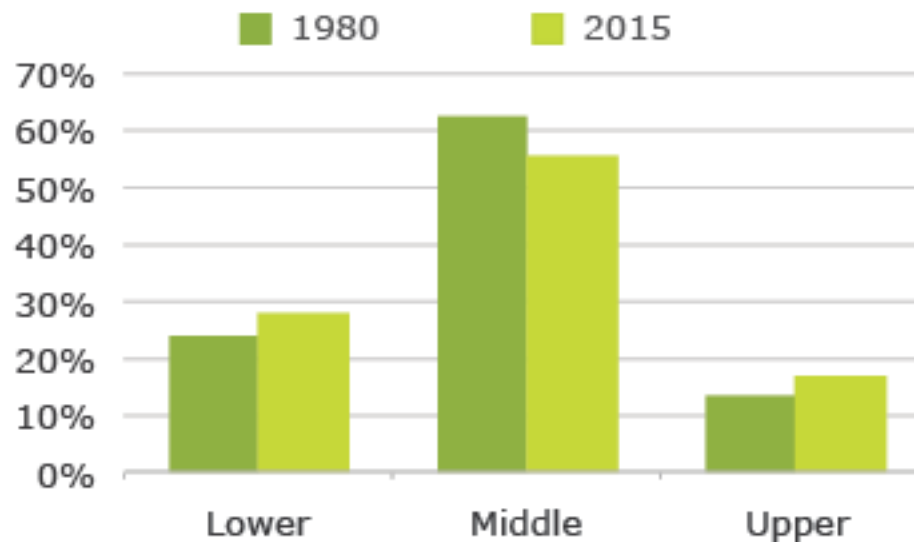


Data source: Center on Budget and Policy Priorities analysis of U.S. Census, American Community Survey, 2015 1-year estimates

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Vermont's middle class has shrunk

Share of adults in lower-, middle-, and upper-income groups,¹ 1980 and 2015

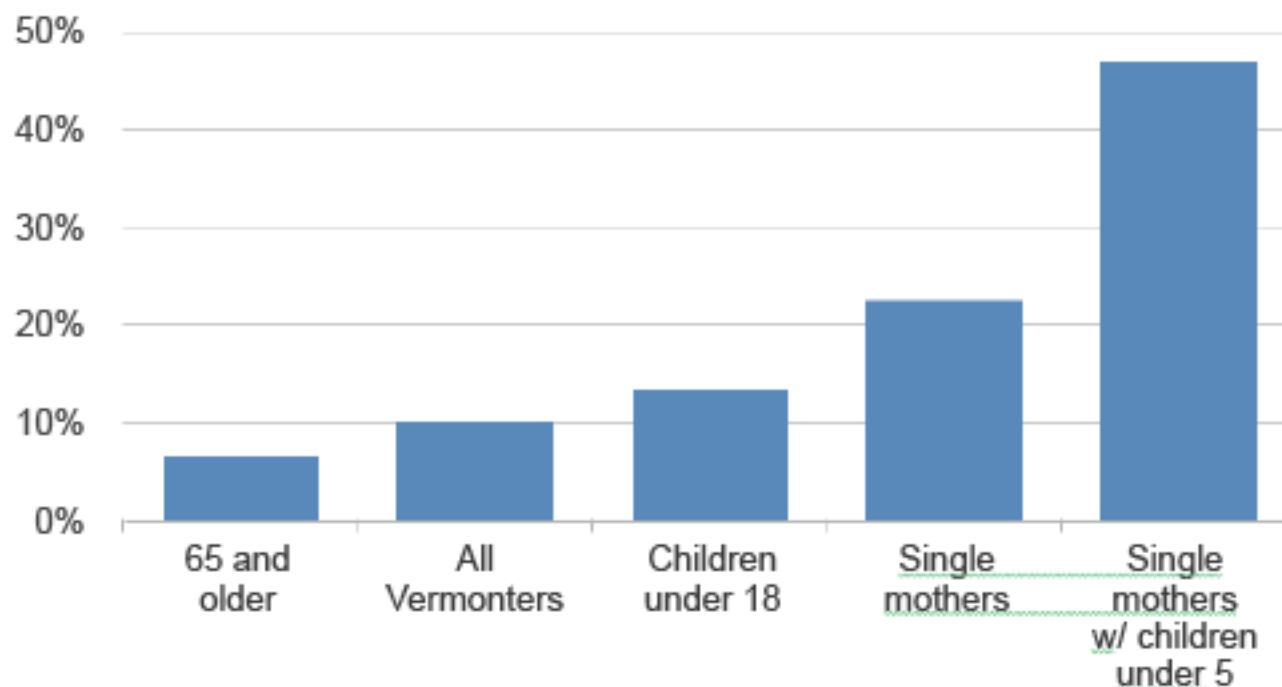


Data source: [IPUMS-USA](http://www.ipums.org), University of Minnesota, www.ipums.org, 1980 5% sample, 2013-2015 1-year samples

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Single mothers and their children were worst off

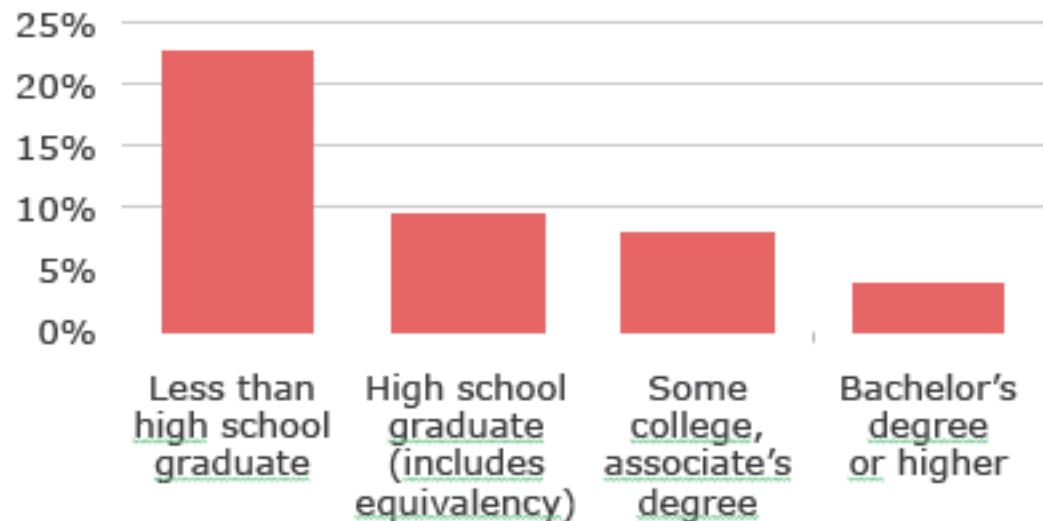
Vermont poverty rates for selected categories, 2015



Data source: U.S. Census, American Community Survey, 2015 1-year estimates
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Risk of poverty was greatest for high school dropouts

Poverty rate by educational attainment, 2015

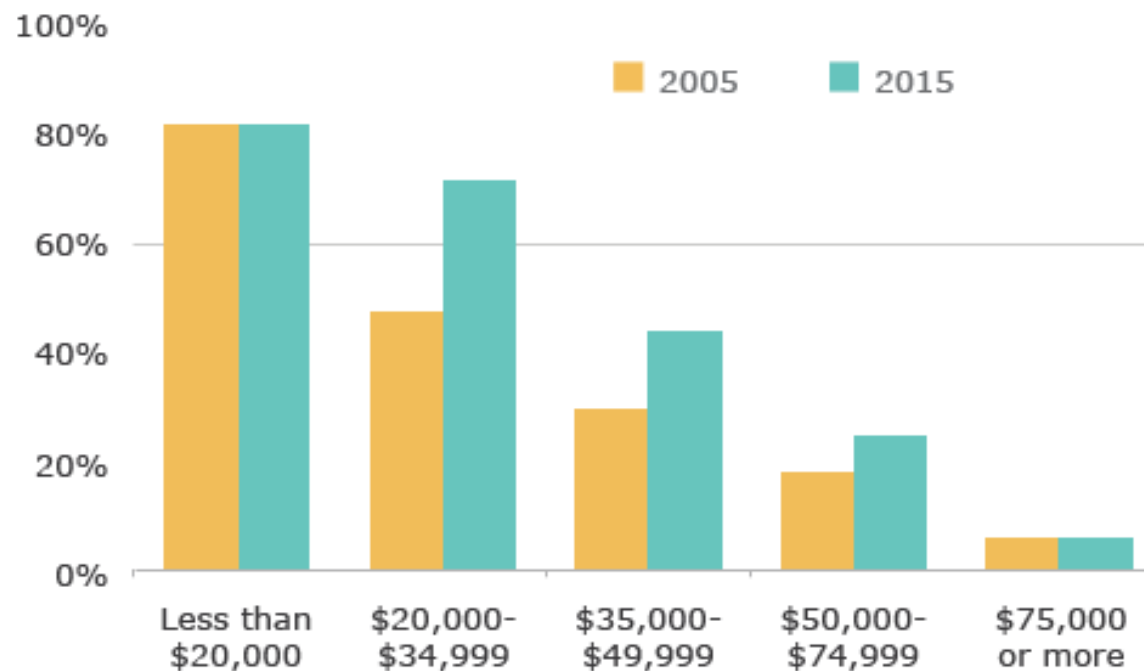


Data source: U.S. Census, American Community Survey, 2015 1-year estimates

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Housing costs strained more family budgets

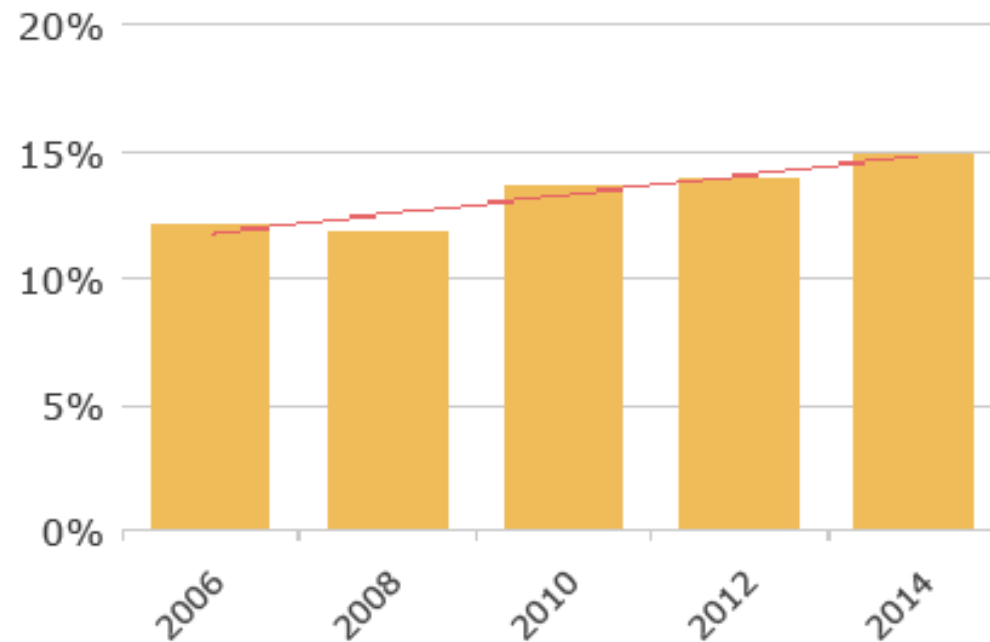
Share of households spending more than 30 percent of income on housing, by income level, 2005 and 2015



Data source: U.S. Census, American Community Survey, 2005 and 2015 1-year estimates

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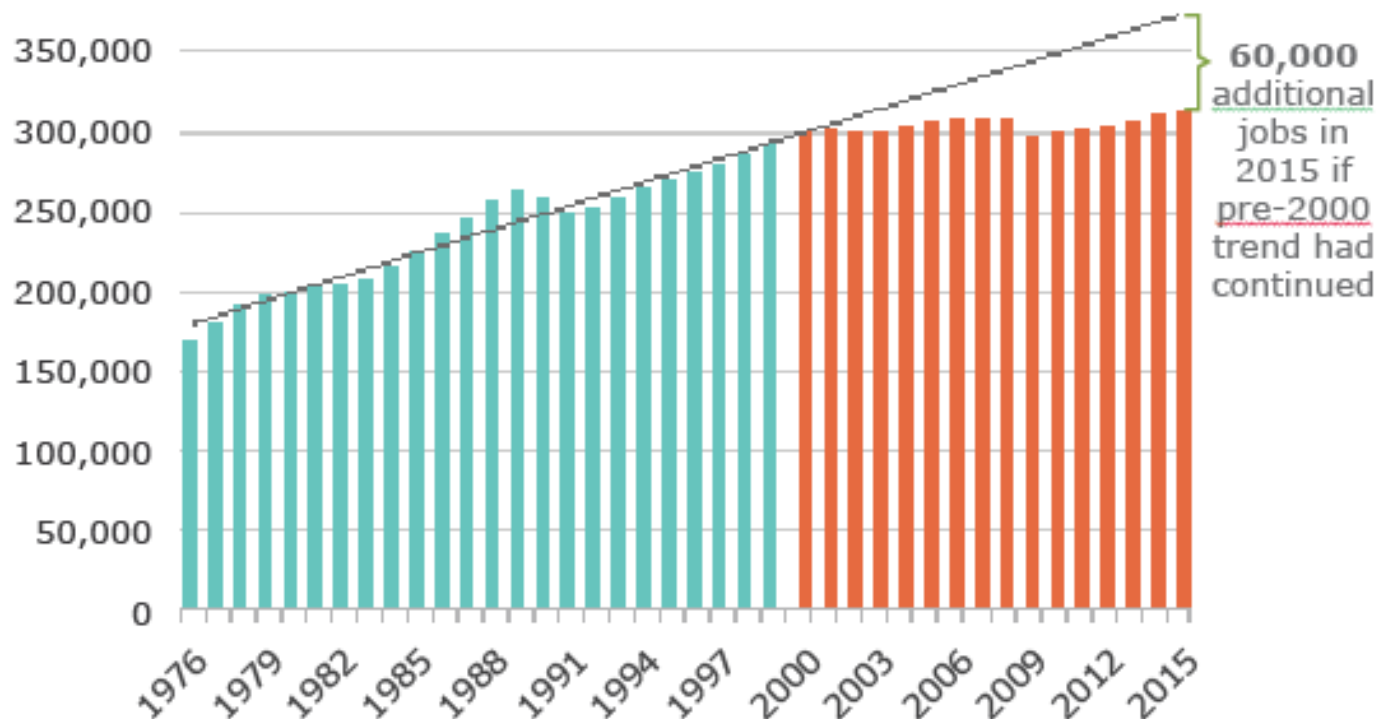
Families spent more of their incomes on child care Share of median family income for full-time child care for one pre-school-age child in a licensed center, with trendline, 2006-2014



Data sources: Vermont Department for Children and Families; U.S. Census, American Community Survey, 2006, 2008, 2010, 2012, 2014 1-year estimates
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Job growth flattened in the 2000s

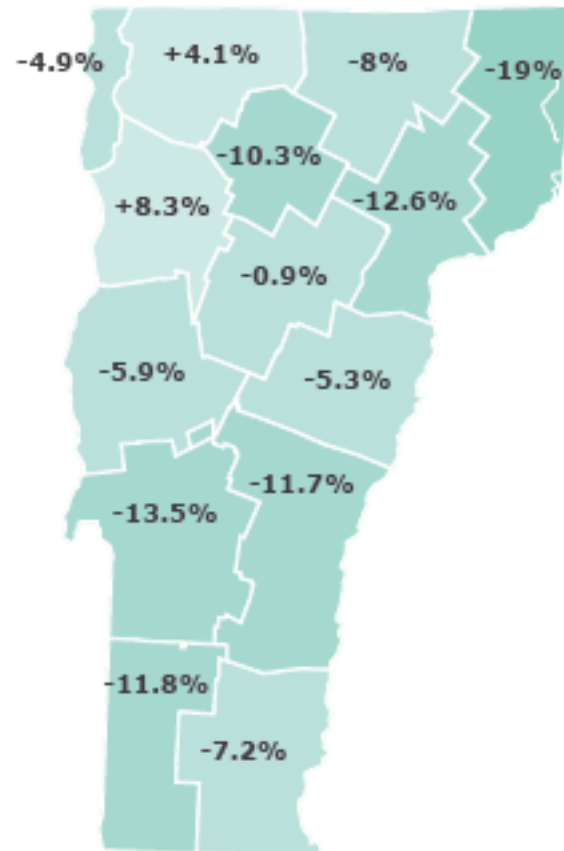
Total nonfarm payroll jobs in thousands, annual average, with trendline, 1976-1999, 2000-2015



Data source: U.S. Bureau of Labor Statistics
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Most counties were still below peak pre-recession employment

Percentage change in annual county employment from pre-recession peak* to 2015



Data source: Vermont Department of Labor
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* Pre-recession peak year was 2006 for all counties except Windham, where it was 2005.

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1. Ensure that work pays and families meet their basic needs.

A. Make work pay.

- Increase the state minimum wage and state Earned Income Tax Credit (EITC) so that working families have a livable income.
- Eliminate public benefits barriers that reduce incomes when earnings increase.
- Expand short-term compensation programs to help employers avoid layoffs.

B. Ensure family economic security.

- Make high quality, affordable early care and education available to all who need it.
- Open state-administered retirement plans to everyone.
- Ensure that Reach Up fulfills its statutory purpose to serve the "well-being of children by providing for their immediate basic needs, including food, housing, and clothing."

C. Advance cost containment and public funding of health care.

2. Make smart, evidence- based investments.

A. Improve Vermont's education system.

- Add two years to public education.
- Improve adult education and workforce training.

B. Increase public investment in infrastructure.

- Fund transportation in ways that are both financially and environmentally sustainable.
- Ensure that state investment in high-speed Internet benefits the public.
- Repair Vermont's aging drinking water, waste water, and solid waste systems.
- Invest in long-term improvements in affordable housing.

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3. Restore public confidence in state government.

A. Restore government's capacity to do its job.

- Strengthen performance measurement and results-based accountability throughout state government.
- Restore policy and planning staff.

B. Include long-range planning in the budget process.

- Provide clear estimates of spending now and at least five years into the future, as is done with revenue.
- Increase rainy day funds and make them easier to use.

C. Fund state services equitably.

- Replace school property taxes on primary residences with an income based tax.
- Avoid business tax incentive gimmicks.