

To: Senate Committee on Economic Development, Housing and General Affairs
From: Angela Smith-Dieng, Director, Adult Services Division, Department of Disabilities, Aging and Independent Living
Date: March 15, 2023
Re: Comments on Treasurer's VTSaves Proposal

The mission of the Vermont Department of Disabilities, Aging and Independent Living (DAIL) is to make Vermont the best state to grow old or live with a disability – with dignity, respect and independence. We appreciate the opportunity to comment on the Treasurer's proposal called VTSaves.

Older Vermonters are the fastest growing demographic in Vermont. Currently, over 183,000 Vermonters, or 28.4%, are age 60 or older, and by 2030 approximately 1 in 3 Vermonters will be over 60. The average income/earnings for the 60+ population in 2021 was about \$71,769. About 9.0% of Vermonters 60 years or older were at or below the poverty level in 2021, compared to 6.7% in 2011.¹

As our demographics continue to shift, it is critical that the State focus on a range of strategies to support the well-being of all older Vermonters.

The Older Vermonters Act of 2020 set forth guiding principles for the State to support aging well and to build an age-friendly state. The Principle of Financial Security states: "Older Vermonters should be able to receive an adequate income and have the opportunity to maintain assets for a reasonable quality of life as they age. If older Vermonters want to work, they should be able to seek and maintain employment without fear of discrimination and with any needed accommodations. Older Vermonters should also be able to retire after a lifetime of work, if they so choose, without fear of poverty and isolation."

Too many older Vermonters are unprepared for retirement, including the costs of long-term care. In the 2020 Statewide Needs Assessment of Older Vermonters and Caregivers, Vermonters misunderstood how long-term care services, if needed, would be paid for. In response to the question of how people would pay for long term care, should they need it, nearly half (47%) of respondents identified Medicare as a possible payment option, even though Medicare does not pay for long-term care. Forty-six percent (46%) reported they did not know how these services, if needed, would be paid for.²

¹ [2021 VT Census Brief Older VTers.pdf \(vermont.gov\)](#).

² [2020 Needs Assessment of Vermonters Age 60+ And Their Family Caregivers.pdf](#)

In our work at DAIL, we see many Vermonters apply for long-term care Medicaid following a health condition worsening or an unexpected health event leading to disability. Their care costs the state an average of \$70,000 annually if living at home or \$110,000 annually if living in a long-term care facility. With more and better retirement savings, some of these costs could be avoided.

DAIL cannot comment on the specifics of VTSaves without further details. However, DAIL is generally supportive of the concept of providing more Vermonters with an easy way to save for retirement; we see the benefits that this can have in the long-term for the State and the people we serve.