



VERMONT ECONOMIC ACTION PLAN

Towards Affordability & Abundance

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Foreword

Vermont has struggled to maintain a consistent, long-term economic strategy, with priorities shifting each election cycle and legislative session. This lack of continuity has hindered our ability to make strategic decisions and invest in fiscal sustainability. The Vermont Futures Project has developed this Economic Action Plan to create a sustainable trajectory for our state. This plan is not tied to political cycles. It is a strategic, non-partisan vision informed by data, adaptable as conditions change. It identifies challenges, opportunities, and provides actionable recommendations. We hope that present and future leaders, along with Vermonters from all walks of life, will use this plan to guide our state toward a prosperous future.

This plan isn’t about growth for growth’s sake, but about crafting a robust economy that supports thriving businesses, a skilled workforce, and vibrant communities. It calls for shifting away from a path of higher taxes, reduced services, and economic disparity, toward a future that benefits all Vermonters. A strong economy is essential for tackling our state’s most ambitious goals, from protecting the environment to supporting our most vulnerable neighbors. Vermont will always have some areas of dense population, and others that are rural, but we need to ensure that all communities offer pathways to economic opportunity.

Vermont’s small size and aging population present unique challenges, but they also offer an opportunity for focused action. Change is inevitable; without a plan, it will happen to us, rather than by us. Let this Economic Action Plan be our roadmap, guiding us toward a sustainable and thriving future. Without it, as the saying goes, “you can’t get there from here.”

— Vermont Futures Project Board of Directors

Special Acknowledgements

To Betsy Bishop, founder of the Vermont Futures Project: Thank you for your vision and steadfast commitment to advancing Vermont’s economy through data-informed policy, research, and education. This plan is a testament to your leadership and the enduring impact of your work.

To Betty and Eddie Chu: We honor your legacy and the values you embodied. You found opportunity in Vermont and built your American Dream here, making this state your home. Your relentless belief that a better future is always possible is an inspiration. This work is dedicated to your everlasting faith in Vermont’s potential, even when the path ahead felt daunting and uncertain. You believed in Vermont, and so will we.

Steering Committee

The Economic Action Plan was developed with invaluable strategic guidance from the Boards of Directors of the Vermont Futures Project and the Vermont Chamber of Commerce. Their thoughtful leadership and diverse expertise provided a strong foundation for the recommendations in this plan. We deeply appreciate their dedication and contributions throughout this process.

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Partners

This Economic Action Plan would not have been possible without the collaboration from partners all over Vermont. Each of these organizations have played an important role by hosting the Vermont Futures Project for a presentation, facilitated community engagement, or contributed content to shape the recommendations found in this plan. Thank you to all our partner organizations and the many individuals who generously shared their perspectives.

AARP Vermont

Addison County Economic Development Corporation

Age Strong Vermont

Age Well Vermont

Black River Innovation Campus

Brattleboro Development Credit Corporation

Burlington Rotary Club

Burlington Young Professionals

Central Vermont Chamber of Commerce

Central Vermont Economic Development Corporation

Champlain College

Champlain Investment Partners

Chamber and Economic Development of the Rutland Region

Chittenden County Regional Planning Commission

City of Rutland

Cohase Chamber of Commerce

Downstreet Housing and Community Development

Efficiency Vermont

Energy Efficient Investments

Energy Action Network

Essex Rotary Club

Farrell Distributing

Franklin County Industrial Development Corporation

Generator Makerspace

Greater Burlington Industrial Corporation

Greater Burlington YMCA

Green Mountain Academy for Lifelong Learning

Lake Champlain Chamber of Commerce

Lake Champlain Islands Economic Development Corporation

Lamoille Economic Development Corporation

Leadership Champlain

Let's Grow Kids

Local Maverick

Mercy Connections

Middlebury College

Middlebury Town & Gown

Northeast Kingdom Collaborative

Northeastern Vermont Development Association

Northeastern Vermont Regional Hospital

Northwestern Medical Center

Northwest Regional Planning Commission

Northwest Vermont REALTOR Association

Office of the State Treasurer

Okemo Valley Chamber of Commerce

PC Construction

Randolph Area Community Development Corporation

South Burlington Business Association

Southwestern Vermont Chamber of Commerce

Southwestern Vermont Medical Center

St. Albans Rotary Club

Stowe Rotary Club

The Hub CoWorks

The Space on Main

Town of Bethel

Town of Shelburne

University of Vermont

University of Vermont Medical Center

Vermont Agency of Commerce and Community Development

Vermont Association of Career and Technical Directors

Vermont Association of Hospitals and Health Systems

Vermont Association of Planning and Development Agencies

Vermont Bankers Association

Vermont Bar Association

Vermont Business Roundtable

Vermont Chamber of Commerce

Vermont Communications Union Districts Association

Vermont Community Action Partnership

Vermont Community Foundation

Vermont Covered

Vermont Declaration of Inclusion

Vermont Department of Forestry, Parks, and Recreation

Vermont Department of Economic Development

Vermont Department of Housing and Community Development

Vermont Department of Labor

Vermont Department of Tourism and Marketing

Vermont Economic Progress Council

Vermont Housing Finance Agency

Vermont International Women's Forum

Vermont Manufacturing Extension Center

Vermont Natural Resources Council

Vermont Office of Economic Opportunity

Vermont Professionals of Color Network

Vermont Short-term Rental Alliance

Vermont Ski Areas Association

Vermont Student Assistance Corporation

Vermont Talent Pipeline

Vermont Town and City Managers Association

Vermont Council on World Affairs

Wake Robin

Windham Aging

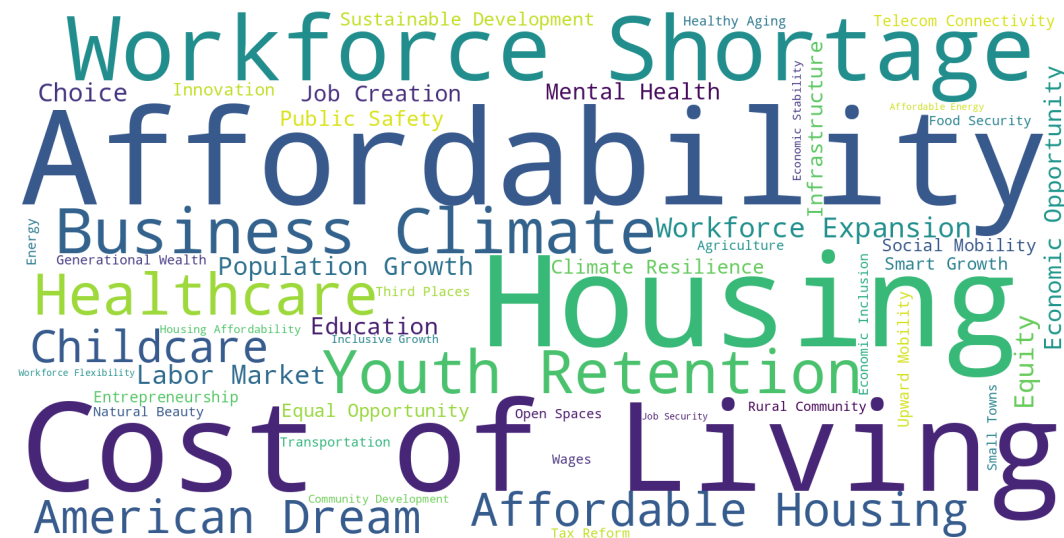
The Process

Statewide Focus & Regional Assessment

Developing a successful statewide economic vision is a collaborative and coordinated effort that weaves together numbers and narrative to meet the current and future needs of Vermonters. While Vermonters share a collective future as a state, their day-to-day economic experiences are shaped by local and regional contexts. To ensure our plan reflects these dynamics, the Vermont Futures Project reviewed the Agency of Commerce and Community Development's Comprehensive Economic Development Strategy (CEDS) and all the regional CEDS¹. This review allowed us to identify regional strengths and challenges, as well as shared priorities across Vermont. By examining both state and regional scales, we were able to highlight common themes such as workforce development, economic vitality, housing, and community infrastructure, leading to this unified vision: **Vermont's future depends on people and places.**

Listening to Vermonters

The Vermont Futures Project received input for this Economic Action Plan from all **14 counties**, with more than **5,000 in-person** interactions and **over 125,000 digital impressions and engagements**. Regional partners coordinated visits to share research and gather input, while a webform was made available for broader participation. After **24 months of engagement**, the top priorities identified by Vermonters aligned with state and regional CEDS. The input highlighted key themes of **affordability, workforce growth, and housing development**, which became central to this plan.



PEOPLE FRAMEWORK: Vermonters seek affordability, higher wages, and better services—all closely tied to the availability of a robust workforce and economic growth. Increasing the working-age population will help meet labor demands, support business success, and create higher wages. Population growth is critical for maintaining services such as healthcare, education, childcare, and public safety without overwhelming the tax base. **Vermonters support efforts to grow the workforce to enhance affordability and sustainability.**

PLACES FRAMEWORK: Vermonters want diverse housing options and improved quality of life. They recognize that expanding housing and infrastructure is key to enabling economic growth, enhancing community stability, and ensuring that Vermont remains a place of opportunity for all. Increasing housing supply through smart growth can strengthen climate resilience, revitalize rural areas, ease cost pressures that disproportionately impact young professionals and low-income residents. **Vermonters are eager to accelerate housing development, recognizing that expanding options will make communities more vibrant and accessible for everyone.**

BALANCING PERSPECTIVES: Vermont's small towns, rural character, independent spirit, natural beauty, and working lands are important to residents. These themes are consistent with the 2009 work of the Vermont Council on Rural Development to imagine Vermont's future². People express concern that uncontrolled growth would threaten these attributes that are integral to the state's identity. However, most people who engaged with the **Vermont Futures Project in this process were supportive of growth if these valuable qualities were strategically protected.**

Dangers of Doing Nothing

THE CONSENSUS IS CLEAR: the status quo is not sustainable. Failing to grow the working-age population will lead to a shrinking workforce, business closures, fewer job opportunities, and declining state revenues. The growing dependency ratio will increase the tax burden on the working population. Fewer children in schools lead to higher per pupil expenditures in many cases and may signal smaller working-age cohorts in the future.³ An aging population and shrinking workforce exacerbate healthcare challenges in Vermont. As the 2024 Green Mountain Care Board Hospital Sustainability Report describes, "Vermont healthcare faces serious challenges in affordability, sustainability, access, and equity."⁴

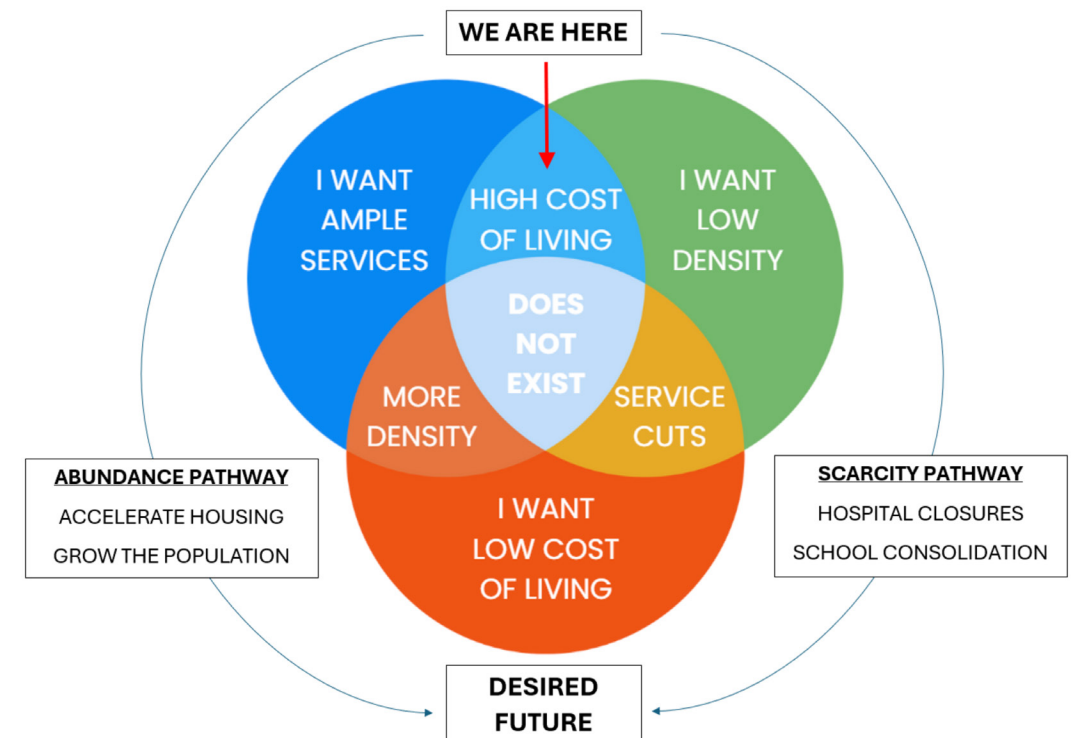
There are difficult conversations already happening all around Vermont about proposed cuts to healthcare services and school consolidation. This is a scarcity pathway towards lower short-term costs with a small and aging population, but the long-term consequences will erode community vitality, exacerbate inequities, diminish opportunities, and perpetuate a vicious cycle that negatively impacts Vermont's future.

"Realistically, I don't even think about thriving right now. I just want Vermont to at least be viable." - Aditi Datta, Young Professional

Embracing Abundance

There is another path, which is strategic growth of people and places.⁵ When presented with the choice of service cuts or more density, there was broad consensus in public engagement that, as a state, more working-age people and more housing are the most practical and desirable pathway to a better future.

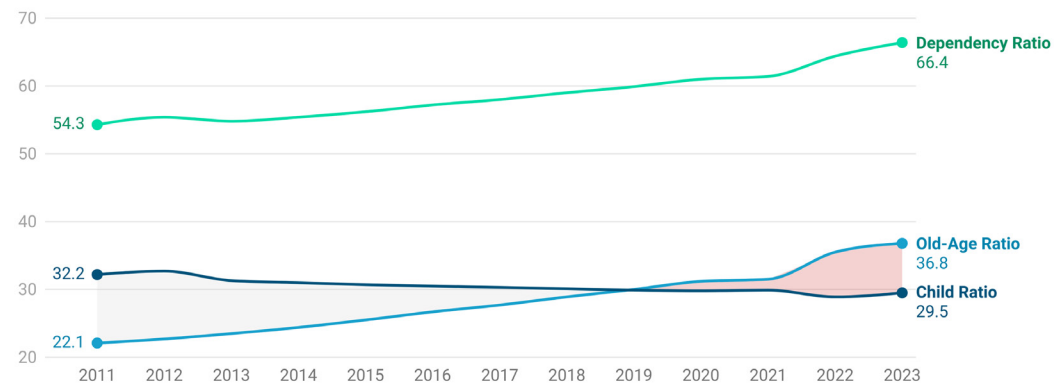
Beyond the tangible things that Vermonters shared, there were an overwhelming number of remarks centered on hope that **a prosperous future in Vermont is possible, but they also recognize it will require bold action.** Vermonters want this state to be a place of opportunity, with affordable communities and a strong economy, that they would proudly recommend to the next generation.



People Framework

Vermonters' top economic concern is affordability. Demographics are the key factor increasing cost of living. According to the United Nations, a high dependency ratio indicates that the economically active population and the overall economy face a greater burden to support and provide the social services needed by children and by older persons who are often economically dependent.⁶ In the past, Vermont had a large working-age population relative to the young and elderly, providing a robust workforce and a healthy tax base to support demand on public services. While the overall population size has remained relatively stagnant since 2000, the composition of Vermont's population has shifted dramatically.

Vermont Age Dependency Ratio



This demographic indicator gives insight into the ratio of working age adults (16-64) to non-working age populations (under 16, over 64). It is used to understand the relative economic burden on the workforce to support the overall population.
Chart: Vermont Futures Project • Source: US Census Bureau • Created with Datawrapper

“An aging population implies lower tax revenues per capita, all else being equal. Unless Vermonters 65 and older decide to leave Vermont in droves or younger working-age people flock to the state in great numbers, Vermont’s ratio of older residents to working-age people will continue to rise, placing a greater burden on workers to support both young and old.”

- Vermont Legislative Joint Fiscal Office

Vermont Age Distribution from 2000

At the turn of the century, Vermont had a high proportion of prime working-age adults relative to the number of children and elderly. There were significantly more children compared to today.

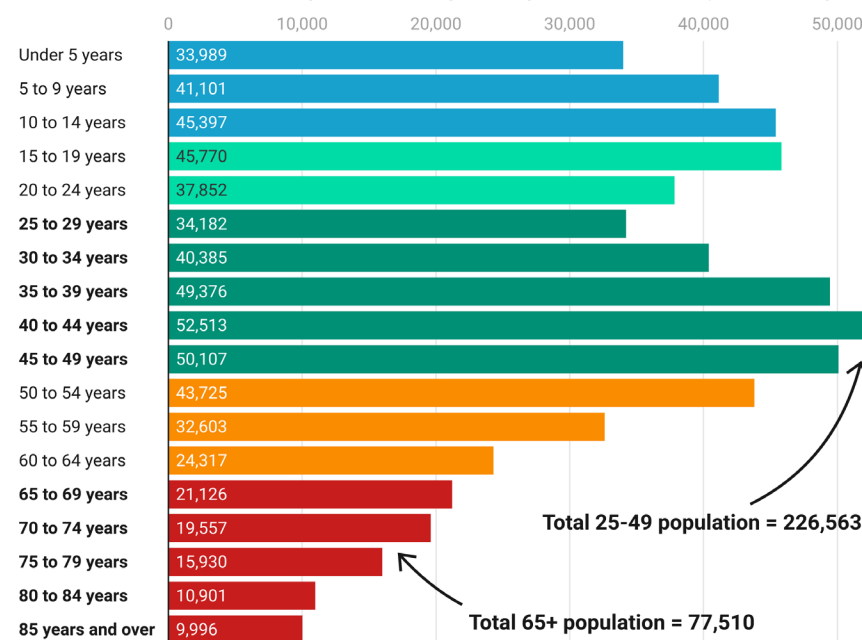


Chart: Vermont Futures Project • Source: US Census Bureau • Created with Datawrapper

Vermont Age Distribution from 2023

Today, Vermont's prime working-age population is much smaller relative to the number of children and elderly. The fertility rate is too low to grow the future workforce and tax base.

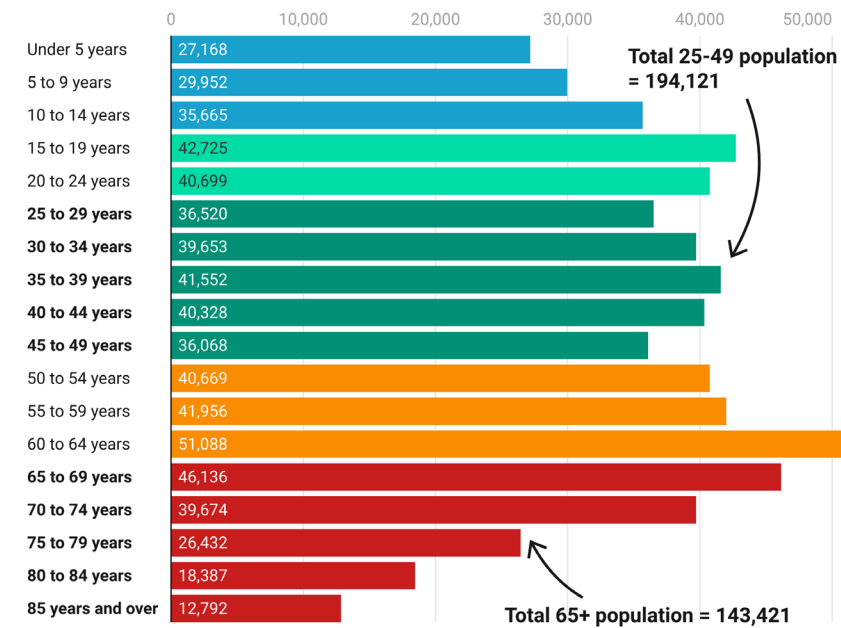


Chart: Vermont Futures Project • Source: US Census Bureau • Created with Datawrapper

This demographic shift has also led to an imbalance in the workforce, where the supply of working-age individuals is insufficient to meet the demand for labor. As a result, employers struggle to fill positions, which limits productivity and economic growth. For consumers, this shortage leads to reduced access to goods and services such as adequate childcare, dining at local restaurants, getting automotive repairs, or healthcare appointments. Growing the prime working-age population is essential to closing the workforce gap, improving affordability, and strengthening communities to better meet the needs of all Vermonters.

*“The root of the staffing challenge is simple: Vermont’s population is rapidly aging. More than a fifth of Vermonters are 65 or older, and more than 35 percent are over 54, the age at which Americans typically begin to exit the workforce. No state has a smaller share of its residents in their prime working years.”*⁷
- The New York Times

Ratio of Job Seekers to Job Openings in Vermont

A decade ago, there were nearly two job seekers for every one job opening. This ratio has steadily shifted and is now inverted meaning there is one job seeker for every two open jobs.

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2013	1.8	1.6	1.5	1.8	1.6	1.4	1.6	1.4	1.5	1.7	1.5	1.4
2014	1.4	1.4	1.4	1.2	1.3	1.1	1.3	1.2	1.3	1.2	1.1	1.1
2015	0.9	1.0	1.2	1.0	0.9	1.0	0.7	1.0	0.9	0.8	0.8	0.8
2016	0.7	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.7	0.8	0.8	0.8
2017	0.9	0.8	0.7	0.6	0.8	0.7	0.6	0.7	0.7	0.7	0.7	0.7
2018	0.8	0.6	0.6	0.6	0.6	0.5	0.4	0.5	0.5	0.5	0.5	0.5
2019	0.5	0.5	0.5	0.5	0.4	0.4	0.4	0.5	0.5	0.5	0.5	0.5
2020	0.5	0.5	0.6	4.1	2.7	2.2	2.2	1.3	1.0	1.0	1.1	1.0
2021	1.1	0.9	0.8	0.6	0.6	0.6	0.5	0.5	0.5	0.4	0.4	0.4
2022	0.3	0.3	0.3	0.3	0.3	0.3	0.4	0.5	0.4	0.4	0.5	0.5
2023	0.4	0.5	0.5	0.4	0.4	0.4	0.4	0.4	0.3	0.4	0.4	0.5

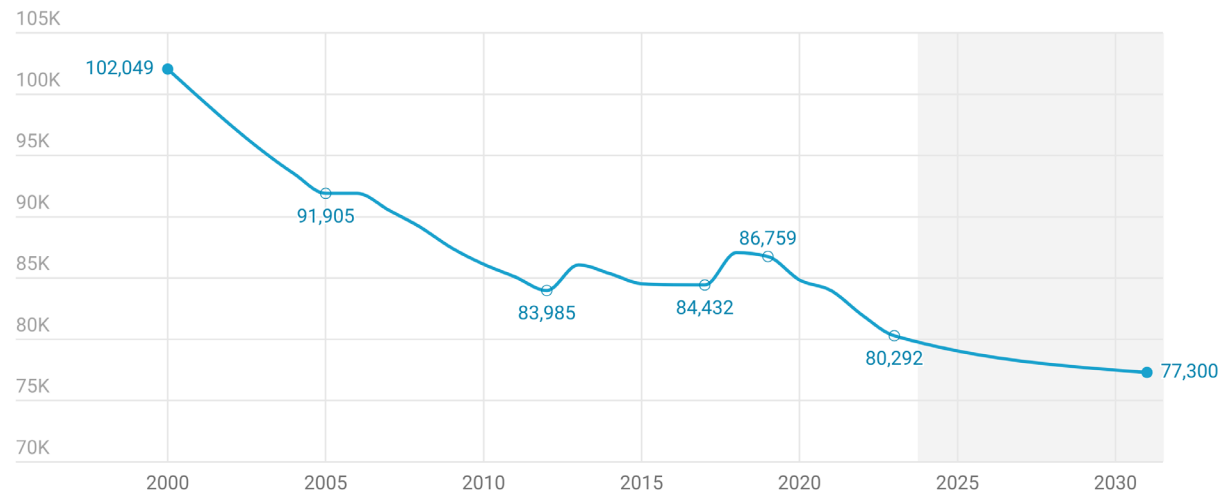
The 2020 anomaly was caused by pandemic shut downs that left many people unemployed. Data are seasonally adjusted.
Table: Vermont Futures Project • Source: US Bureau of Labor Statistics • Created with Datawrapper

Workforce Supply

The talent supply in Vermont is dwindling. Vermont has the lowest fertility rate of any state in the country⁸. There are only about 5,300 twelfth-grade students across the entire state each year. Of these students, approximately 83% of them graduate, and 45% enroll in college. While Vermont continues to attract young talent from out-of-state to its colleges and universities, which helps to close the gap, the state also has the lowest college graduate retention rate of any state in the country at about 43%. After factoring in average net migration, **the total annual workforce supply is approximately 8,200 people.**

Vermont Total Public School Enrollment

Vermont has the lowest fertility rate of any state in the country. School enrollment is expected to continue declining, meaning higher per-pupil costs, unless Vermont attracts young families to the state.



Gray shaded area represents enrollment projections from the National Center for Education Statistics. (https://nces.ed.gov/programs/PES/current_tables.asp)

Chart: Vermont Futures Project • Source: Vermont Agency of Education • Created with Datawrapper

Workforce Demand

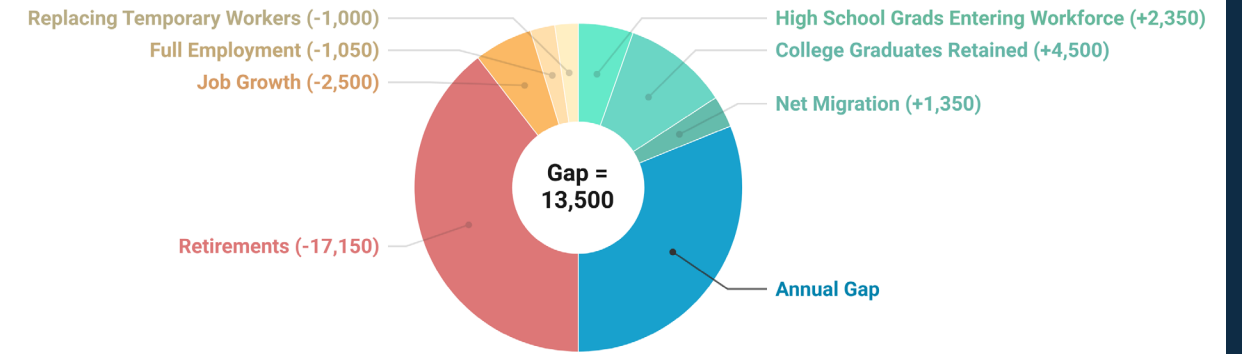
The Vermont Department of Labor projects 17,150 retirements annually through 2032. New job creation contributes about 2,500 to workforce demand. Some employers try to fill critical gaps with temporary non-resident workers when local candidates cannot be found. **Total workforce demand is approximately 21,700 each year.**

Closing the Gap

To address Vermont's changing demographics, **the state must add an average of 13,500 people to its workforce annually over the next 10-15 years.** Achieving this will improve affordability while ensuring the continued availability of essential services. While efficiency strategies—such as reducing barriers to labor force participation and fostering a supportive business climate—can help fill part of this gap, they are not sufficient on their own. Vermont must also implement expansion strategies focused on recruiting and retaining working-age individuals. The following sections outline both expansion and efficiency strategies designed to address demographic challenges, support economic vitality, and help all Vermonters thrive.

Vermont's Workforce Supply and Demand

On an annual basis, Vermont needs to add about 13,500 people into the workforce. Increasing labor force participation among Vermonters who are not in the labor force is not enough to close the gap. Growing the working-age population by recruiting people to the state and increasing retention of young talent are necessary to offset workforce demand. Closing this workforce gap is crucial to Vermont's long-term economic vitality.

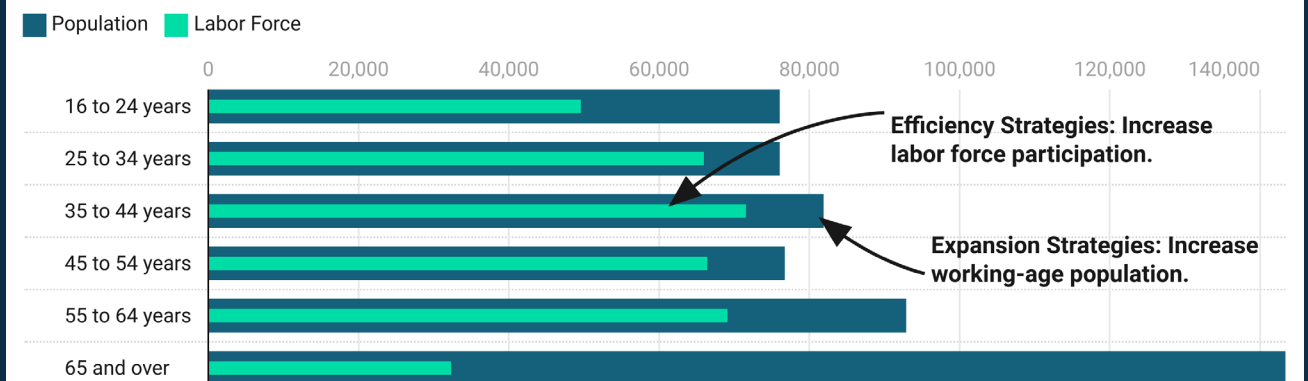


Demand calculated by combining Vermont Department of Labor long-term occupational projections for workforce exits and job growth, increasing labor force participation to sustain full employment, and estimates of temporary and seasonal employees filling workforce gaps. Supply calculated by combining retention data of high school and college graduates along with rolling average of net migration combining pre- and post-pandemic net migration data.

Chart: Vermont Futures Project • Created with Datawrapper

2023 Vermont Labor Force and Population by Age

Most prime working-age Vermonters are in the labor force. Reducing barriers or increasing incentives to work can get some people back into the labor force, but intentional long-term efforts to grow the working-age population are also needed to close the workforce gap.



Prime working-age adults are defined as people between the ages of 25 and 54.

Chart: Vermont Futures Project • Source: US Census Bureau • Created with Datawrapper

Expansion Goal: Increase Vermont’s population to 802,000 residents by 2035 by recruiting and retaining working-age people.

Incremental Progress Towards Aspirational Workforce Goals

Vermont experienced healthy rates of growth prior to the start of the century which led to many working-age adults relative to the overall population. If Vermont’s population continued growing at 10% per decade after 1990, the current population would be over 750,000. Slow growth in the past two decades has led Vermont to its current scenario of high median age, workforce shortages, and a shrinking tax base which exacerbates affordability challenges for Vermonters. Targeting 1.8% to 2.0% per year for the next decade can reverse these trends and set up Vermont for long-term economic success.

Year	Population	Net increase from prior period	% change from prior period
1960	389,881	-	-
1970	444,330	54,449	14.0%
1980	511,456	67,126	15.1%
1990	562,758	51,302	10.0%
2000	608,827	46,069	8.2%
2010	625,741	16,914	2.8%
2020	643,085	17,344	2.8%
2023	647,464	4,379	0.7%
2024	659,118	11,654	1.8%
2025	670,982	11,864	1.8%
2026	683,060	12,078	1.8%
2027	695,355	12,295	1.8%
2028	707,872	12,516	1.8%
2029	720,613	12,742	1.8%
2030	733,584	12,971	1.8%
2031	746,789	13,205	1.8%
2032	760,231	13,442	1.8%
2033	773,915	13,684	1.8%
2034	787,846	13,930	1.8%
2035	802,027	14,181	1.8%

2023 population estimate is from US Census American Community Survey. Gray-shaded rows are historic decennial census data. Green-shaded rows represent future growth needed to close Vermont’s projected workforce gap over the coming decade.

Table: Vermont Futures Project • Source: US Census Bureau • Created with Datawrapper

Expansion Strategies Overview: Recruitment and Retention

“Vermont Needs More People. More People Need Vermont.”

Vermont needs sustained, intentional efforts to attract and retain working-age people. Vermont can leverage its unique social and environmental strengths as key differentiators to promote the state as a desirable place to live, work, and thrive. These values, when aligned with intentional growth, can help close the workforce gap and support economic vitality. Recruitment and retention strategies that target people with existing connections to Vermont, as well as those seeking what the state has to offer, will not only enable business success but also contribute to job creation and a more robust tax base, making the state more affordable for current residents.

Population growth offers opportunities to revitalize Vermont’s depopulated rural areas and fill schools that have seen enrollment declines. In addition, this growth can foster diversity and equity by bringing in individuals from varied backgrounds, strengthening communities through new perspectives and ideas. Research shows that a 1% increase in the immigrant population of a state boosts investment from that community’s home country by 50%⁹. An infusion of talent, ideas, and capital could ignite innovation, entrepreneurship, and cultural growth, allowing Vermont to thrive in an increasingly global and diverse economy.

Components of Population Change

Net population growth in recent years has been driven by positive international and domestic migration. Vermont will need to continue growing both sources to offset natural population decline. Deaths have outpaced births since 2017 and the gap between the two is projected to continue growing over the next two decades.

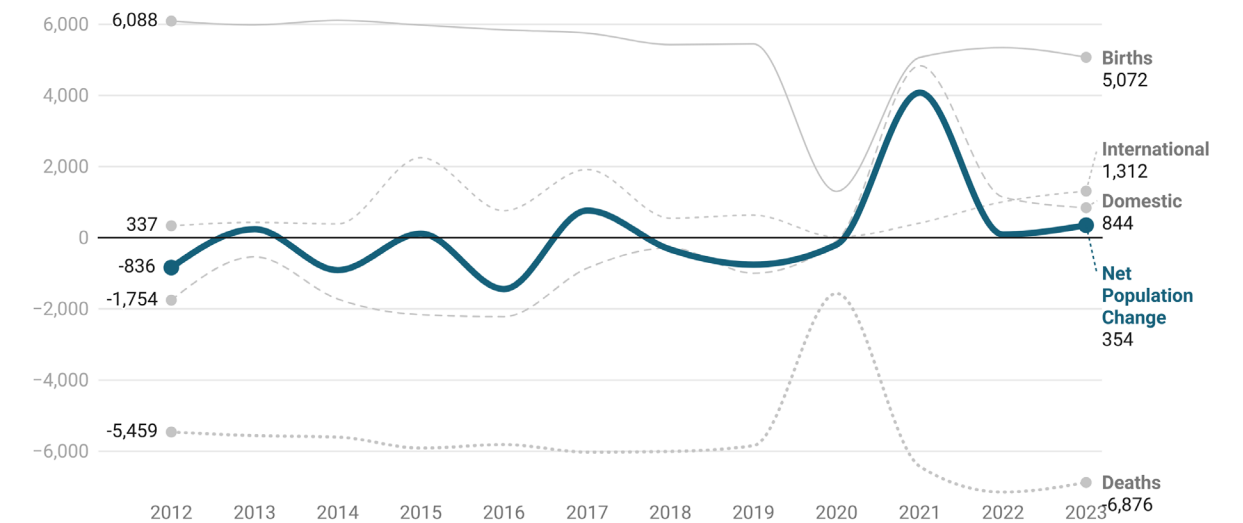


Chart: Vermont Futures Project • Source: US Census Bureau • Created with Datawrapper

EXPANSION STRATEGY #1:

Elevate Vermont's Achievements with a Renewed Relocation Marketing Campaign

Vermont has a legacy of leadership and innovation, especially in social and environmental commitment. Population growth presents a chance to sustain these efforts while fostering a more inclusive and dynamic state. Increasing the working-age population strengthens the tax base and revitalizes the workforce.

From 2010 to 2020, Vermont experienced negative net migration, prompting the launch of relocation incentives, which have since ended. Although the pandemic temporarily increased migration, levels remain insufficient to address the challenges of an aging population. A comprehensive, sustained relocation marketing campaign is needed to attract and retain working-age residents.

• UNIFY AND PROMOTE THE VERMONT BRAND:

Create a cohesive state brand with a media toolkit and promotional materials that businesses and communities can use in their recruitment efforts.

• DATA-DRIVEN MARKET SEGMENTATION:

Use targeted data to focus marketing efforts on areas with high job-seeker populations and limited job openings. Leverage migration trends, such as climate migration and values-driven relocation, to attract people who are motivated by social or environmental factors.

• LEVERAGE TESTIMONIALS AND STORYTELLING:

Strengthen the narrative of Vermont through testimonials and stories that highlight the diverse individuals, industries, and occupations thriving in the state.

• TARGETED ALUMNI NETWORK OUTREACH:

Partner with Vermont's educational institutions to reach potential new residents with existing ties to the state.

• TOURISM-TO-RESIDENT CONVERSION:

Assess tourism data to identify visitors with strong connections to Vermont who may be interested in making it their permanent home.

• EXPAND RELOCATION CONCIERGE SERVICES:

Enhance programs like GROW¹⁰ and the Vermont Professionals of Color Network's Newcomer Nexus¹¹ to support newcomers as they settle into Vermont. These services can provide essential resources and a welcoming environment for new residents.

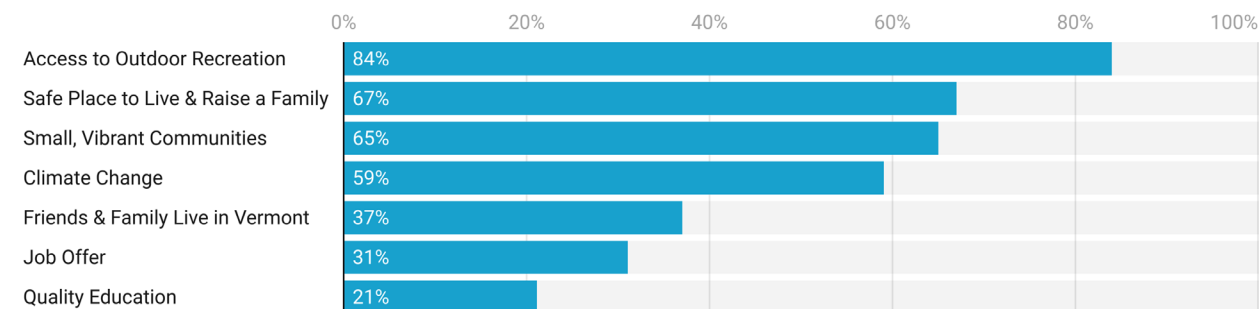
• INCLUDE "B2V" MARKETING:

Develop a Businesses to Vermont (B2V) strategy to grow economic opportunities, encourage investment, and improve perception of the state's business climate.

The state's previous Worker Relocation Incentive Program successfully brought 165 new residents to Vermont through 64 grants, with 77% of recipients under the age of 40 and an average grant of \$5,581.¹² The Department of Financial Regulation found that cumulative revenues exceed program costs after the first year.¹³ Insights from a recipient survey provide valuable information on the factors that attracted people to Vermont, which can be leveraged in the new marketing effort.

Motivations for Moving

Recipients of Worker Relocation Incentive Program grants were asked which factors attracted them to move to Vermont. About 28% of respondents had no previous Vermont experience.



Results as of January 9, 2023 representing 64 grant recipients.

Chart: Vermont Futures Project • Source: VT Agency of Commerce & Community Development • Created with Datawrapper

EXPANSION STRATEGY #2:

"In-Reach" - A Collaborative Cross-Sector Educational Campaign for Vermonters

While relocation efforts are vital, "in-reach" is equally crucial to Vermont's long-term recruitment and retention success. This strategy focuses on educating current residents about the benefits of population growth and addressing common misconceptions. By fostering understanding through data-informed communication and open dialogue, in-reach can alleviate concerns about overcrowding, environmental harm, or cultural loss. Efforts will emphasize that responsible growth can enhance affordability, strengthen public services, and enrich community culture.

• **HOST COMMUNITY DIALOGUES:** Organize conversations to address concerns and debunk myths about population growth. Present clear, data-backed information showing how growth can benefit Vermont economically, socially, and environmentally. For example, between 2005 and 2021, Vermont's GDP grew by 58%, while greenhouse gas emissions decreased by 16%, demonstrating how economic growth and environmental sustainability can be complementary.¹⁴

• **DISTRIBUTE DATA:** Equip local leaders, stakeholders, and grassroots organizations with housing data, demographic reports, and labor market trends. Ensure that these data points inform local decision-making and align with statewide goals.

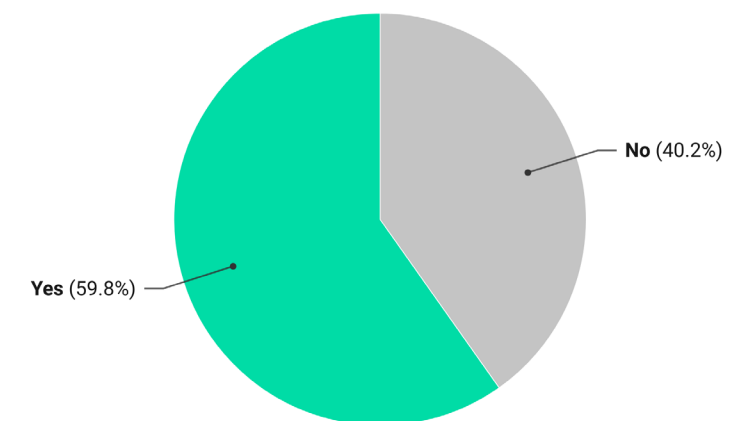
• **RURAL REVITALIZATION:** Explain how growth is an opportunity to revitalize rural areas. Restoring depopulated towns and villages across Vermont to their historical peak population levels would add over 70,000 new residents across the state.

• **PROMOTE INCLUSION:** Expand Vermont's Declaration of Inclusion as a step towards building welcoming communities.

• As of December 13th, 2024, 159 towns and cities representing 78.8% of Vermont's population have adopted the declaration, signaling Vermont's commitment to inclusivity and diversity.¹⁵

This in-reach strategy is essential for creating a shared understanding of how growth benefits Vermonters. By addressing concerns with data and promoting inclusivity, Vermont can build local support for growth, resulting in economic, social, and environmental benefits for all.

Are you supportive of growing Vermont's population size to increase racial and ethnic diversity?



Respondents that said "yes" cited economic and social benefits, cultural enrichment and understanding, and concerns about Vermont's demographics as reasons for their support. Respondents that said "no" referenced concerns about infrastructure capacity, economic challenges, preference for the status quo, cultural preservation, and general opposition to diversity initiatives as reasons for their answer.

Chart: Vermont Futures Project • Source: 2024 Vermonter Poll • Created with Datawrapper

Are you supportive of growing Vermont's population size to strengthen its workforce?

Response	Overall	18-34	35-54	55-74	75+
Yes	49%	36%	50%	55%	59%
No	38%	61%	35%	28%	21%
Unsure	13%	3%	15%	16%	20%

Younger respondents answered "No" at higher rates because of housing scarcity and competition in the labor market. Older respondents said "Yes" at higher rates because of access to essential services and healthcare for aging in their communities.

Table: Vermont Futures Project • Source: 2022 Vermonter Poll • Created with Datawrapper

Expansion Strategy #3:

Increase Pathways for Recruiting International Migrants to Vermont

Nationwide, immigrant households contribute billions of dollars in taxes and hold significant purchasing power, which boosts local businesses, job creation, and public services. Like all residents, immigrants use public services, but their economic contributions far exceed the costs associated with these services.¹⁶ While Vermont's immigrant community is small, it plays a vital role in the state's economic and social vitality.

Economic Contributions of Immigrant Households

Immigrant household income	\$846.2M
Total taxes paid	\$226.3M
Federal taxes paid	\$142.6M
State & local taxes paid	\$83.8M
Total spending power	\$619.9M
Contributions to Social Security	\$88.9M
Contributions to Medicare	\$22.0M

Table: Vermont Futures Project • Source: American Immigration Council • Created with Datawrapper

• **SIMPLIFY CREDENTIAL RECOGNITION:** Continue building on efforts to streamline recognition of foreign professional licenses, credentials, and work experience across more occupational categories to reduce barriers to economic opportunity.

• **ENCOURAGE FAMILY-BASED SPONSORSHIP:** Support family-based visa sponsorships by providing technical assistance through local organizations such as Chambers of Commerce, Rotary Clubs, and Economic Development organizations.

• **STRENGTHEN VERMONT'S GLOBAL CONNECTIONS:** Expand global relationships through initiatives like cultural exchanges facilitated by the Vermont Council on World Affairs. These programs build networks that attract international talent to Vermont.

• **FOCUS GROUP INSIGHTS:** Convene New Americans in Vermont to gather insights and develop strategies for recruiting immigrants and refugees from other states.

• **TARGETED SUPPORT FOR IMMIGRANTS:** Offer language support and job training programs tailored to immigrant communities to match job seekers with in-demand job opportunities in sectors where Vermont is facing workforce shortages.

• **ENHANCE INTERNATIONAL STUDENT ENROLLMENT:** Strengthen efforts to recruit international students to Vermont's higher

education institutions. Provide industry partnerships and support for navigating visa, residency, and citizenship processes, along with post-graduation employment pathways.

• There are 1,281 international students in Vermont contributing \$62.5 million dollars to the Vermont economy and supporting 348 jobs.¹⁷

Increasing the number of immigrants in Vermont will diversify and strengthen the workforce, promote entrepreneurship, and expand the tax base. Immigrants contribute as neighbors, business owners, workers, and taxpayers, enriching communities and driving economic growth.

Flashback: Vermont's Rich Immigration History

Vermont has a rich history of immigration, often coinciding with periods of economic growth. In the late 19th and early 20th centuries, Italian, Scottish, and Irish immigrants helped transform Vermont into a national leader in granite production.¹⁸ Similarly, French Canadian immigrants played a crucial role in shaping Vermont's economic history, particularly in mills and farms. Without immigration, Vermont's population would have declined due to westward expansion.¹⁹

Vermont's history shows that immigrants not only bring economic benefits but also infuse the state with a rich cultural heritage that strengthens local communities.

Region of Birth of Vermont's Foreign-Born Residents

There is great diversity among Vermont's immigrant community with every region of the world represented.

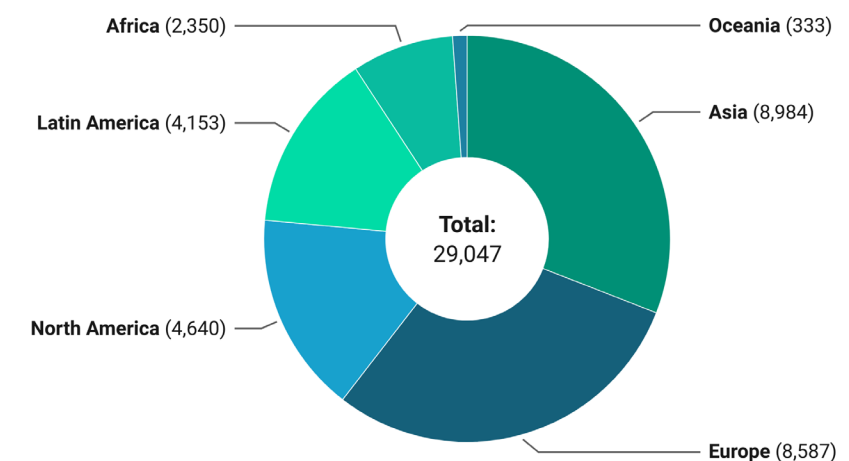


Chart: Vermont Futures Project • Source: US Census Bureau • Created with Datawrapper

Expansion Strategy #4:

Position Vermont as a Premier Destination for Remote Workers

Attracting remote workers to Vermont offers a significant opportunity to enhance the state's economy. Remote workers bring in income from outside the state, which they spend locally, boosting demand for goods and services and supporting key sectors like retail, real estate, and hospitality. Their contributions also increase Vermont's tax base, helping to fund public services and infrastructure.

Remote workers also contribute to economic diversification by bringing different skills and perspectives to Vermont. This talent influx can revitalize rural areas, promote innovation, and strengthen local economies. Moreover, remote workers who relocate to Vermont may later transition to other local career opportunities, further benefiting the state's workforce. Overall, recruiting more remote workers leads to a more dynamic economy, higher disposable incomes, and broader opportunities for economic growth and community development.²⁰

- **TARGETED RECRUITMENT:** Integrate remote worker recruitment into Vermont's broader relocation marketing campaign to attract talent from across the country.

- **BUSINESS-FRIENDLY FOR REMOTE WORK:** Simplify tax, insurance, and compliance regulations to ensure Vermont is competitive with other states in attracting remote workers. By lowering the barriers for businesses to operate remotely in Vermont, the state can attract new workers and new companies too.

- **SUPPORT EMPLOYERS:** Educate employers on how to leverage remote work to fill positions when local candidates are unavailable, making it easier for remote workers to connect with Vermont and consider relocating long-term.

- **BUILD COMMUNITY:** Use co-working spaces across Vermont to host networking events and connect remote workers with local communities, strengthening their social ties and understanding of Vermont.

- **MARKET TO VISITORS:** Leverage the tourism economy to promote remote worker relocation to people that already have an affinity for Vermont.

A 2019 report on the Remote Worker Grant Program found that 70% of participants were under 40, with grantees relocating from 30 states and settling in 42 towns across 12 counties.²¹ Since then, the pool of remote workers has grown substantially, with nearly 22.5 million people working remotely across the country. By attracting more remote workers, Vermont can strengthen its economy, amplify local commerce, diversify its workforce, and expand its tax base—ultimately fostering stronger, more sustainable communities.

Work From Home - A New Normal

Rates of remote work nearly tripled across the country in response to the COVID-19 pandemic. Although remote, hybrid, and in-person dynamics between employers and employees are constantly shifting, rates of remote work are still over two times higher than pre-pandemic levels.

Year	2017	2018	2019	2021	2022	2023
Vermont	7.1%	7.5%	7.0%	19.6%	16.5%	16.2%
US	5.2%	5.3%	5.7%	17.9%	15.2%	13.8%

US Census 1-year ACS data for 2020 is not available.

Table: Vermont Futures Project • Source: US Census Bureau • Created with Datawrapper

Expansion Strategy #5:

Recruit Military Retirees to Vermont

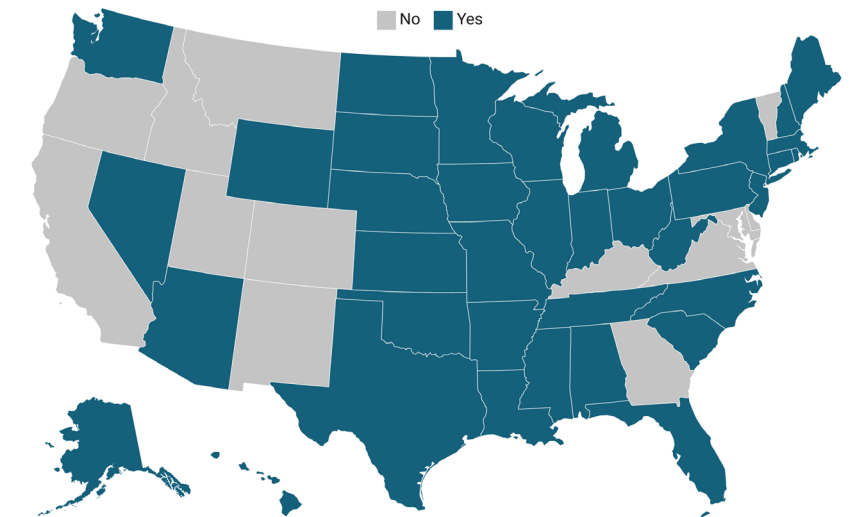
Military retirees bring a steady income and valuable skills to the state. Vermont's current tax policies create barriers to attracting and retaining military retirees. Many of these retirees are still in their prime working years, with 70% aged 35-50, and many continue working in civilian roles after retiring from the military.²² Exempting military pensions from state taxes would align Vermont with many other states and help attract more military retirees, boosting both the state's economy and workforce. In addition, veterans' benefits, such as VA loans and healthcare, provide further economic benefits to the state.

- **FULLY EXEMPT MILITARY PENSIONS FROM STATE TAXES:** Vermont currently exempts the first \$10,000 of military pensions from state taxes, subject to Annual Gross Income caps (\$50,000 for singles, \$65,000 for joint filers). It is also subject to a choice between a Social Security tax exemption or a Military Retirement pay tax exemption when someone reaches Social Security eligibility age.²³

- **LEVERAGE EXISTING STRENGTHS:** Partner with the Vermont National Guard and Norwich University to attract military retirees by highlighting educational opportunities and community support for military families.

States With Full Tax Exemptions for Military Retirement Pay

Vermont is an outlier among states in the Northeast putting the state at a competitive disadvantage when recruiting and retaining military retirees.



Map: Vermont Futures Project • Source: Intuit TurboTax • Created with Datawrapper

- **SUPPORT WORKFORCE INTEGRATION FOR SPOUSES:** Establish a strategy to help military spouses integrate into Vermont's workforce, which could include licensing reciprocity to make it easier for military spouses to transfer professional credentials from other states.

While the national veteran population is expected to decrease by 1.6% annually, Vermont's veteran population is declining at a higher rate of 2.7%.²⁴ Projections show a significant decline in the number of veterans aged 40-64 in Vermont, an age group that typically becomes eligible for military pensions and continues to make key contributions to the labor force. Adjusting tax policy and recruitment strategies could help reverse or slow this decline, positioning Vermont to be an attractive place for military retirees to settle.

Projected Age Distribution of Veterans in Vermont

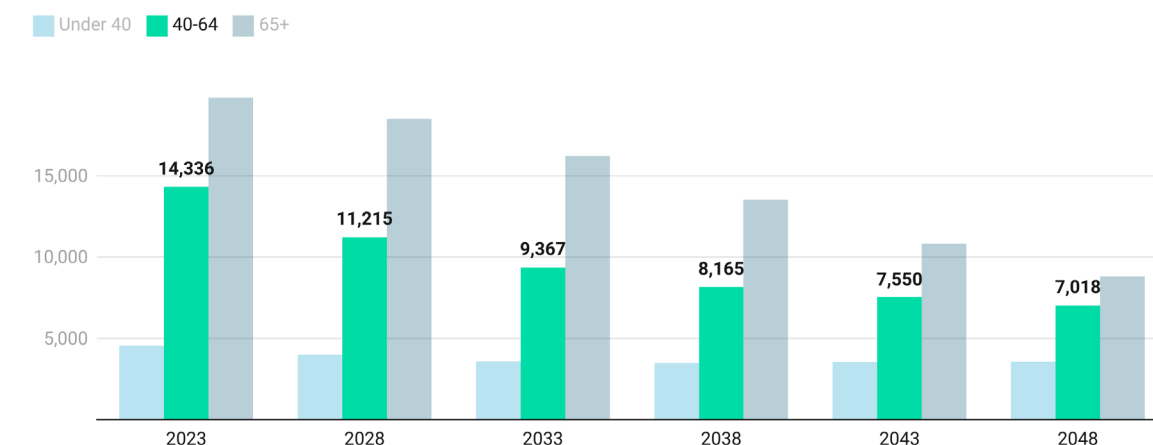
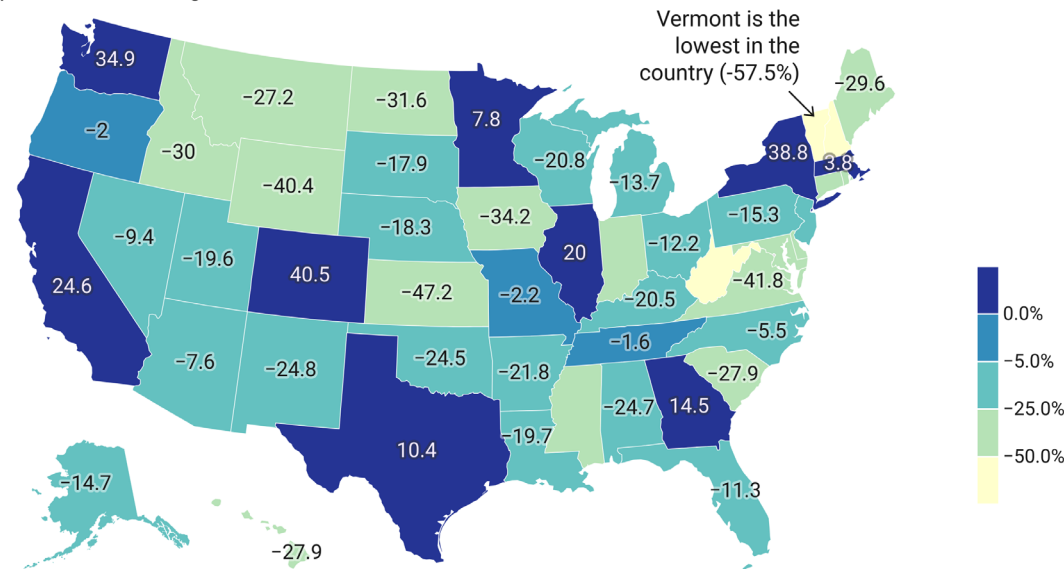


Chart: Vermont Futures Project • Source: US Department of Veteran Affairs • Created with Datawrapper

WHERE THE BRAINS DRAIN

Net Import and Export of 4-Year College Graduates Across States.



Map: Vermont Futures Project • Source: Washington Post • Created with Datawrapper

Expansion Strategy #6:

Incentivize Youth and Young Professional Retention

Retaining young talent is crucial for Vermont's long-term economic success. High school and college graduates represent the future workforce, and while Vermont faces a decline in the number of children born in the state, it continues to attract talent through its educational institutions. More than 70% of first-time undergraduates enrolled in Vermont's post-secondary schools come from out of state.²⁵ Cultivating conditions for young talent to choose Vermont and creating incentives tied to in-state employment can help to close the workforce gap and contribute to long-term economic vitality.

• GREEN MOUNTAIN JOBS & RETENTION PROGRAM:

This program offers up to \$5,000 in loan repayment for college graduates who live and work in Vermont for two years after graduation. Evaluate the program's effectiveness using data from the initial cohorts to determine return on investment.

- Scale up the program if data show it is effective, or identify opportunities to reconfigure the program parameters to increase efficacy if necessary.
- Explore extending retention incentives to graduates of career and technical education centers who stay and work in Vermont.

• **SUPPORT BUSINESS GROWTH:** Focus on growing industries and occupations where graduates often leave Vermont to seek employment. Improving

alignment between talent production and opportunity availability can increase the likelihood of graduate retention.

• **ENHANCE RELOCATION INCENTIVES:** Explore targeted incentives for young professionals in all industries—not just specific occupations—as part of a broader relocation marketing effort to Vermont's appeal to early-career workers.

• **INCREASE HIGHER EDUCATION ENROLLMENT:** Continue efforts to increase student enrollment, including expanding student housing, to strengthen Vermont's talent pipeline.

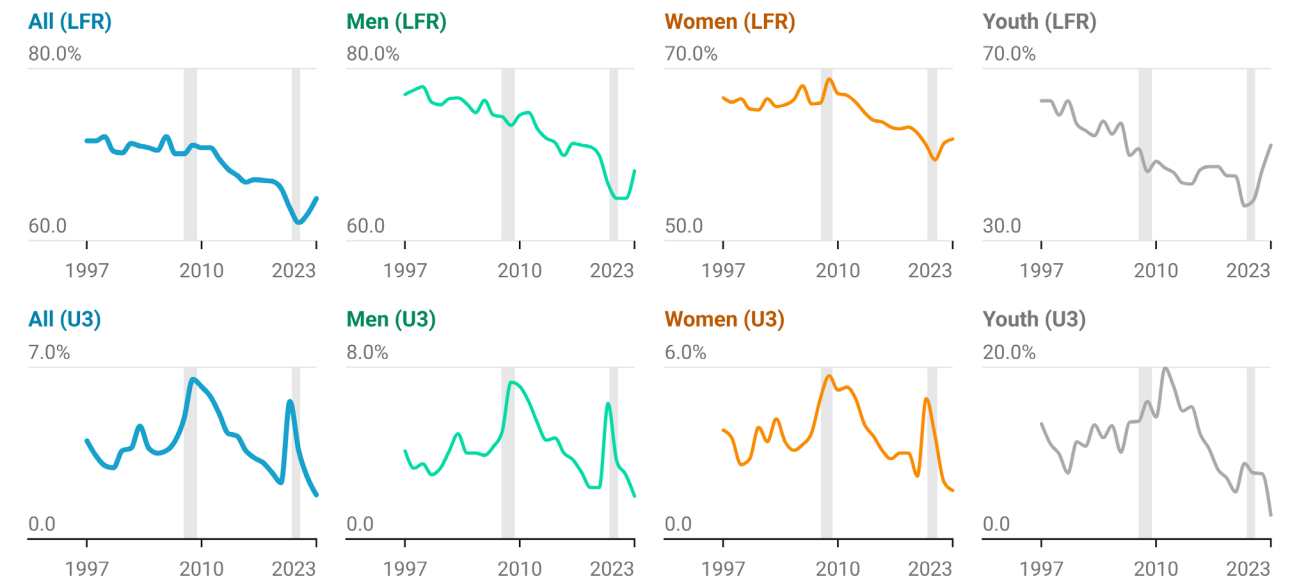
• **CREATE A YOUNG PROFESSIONAL DISCOUNT NETWORK:** Develop a network of discounts for young professionals, similar to student or senior discount programs. This will help young workers feel valued and encourage their engagement with local businesses, strengthening community connections.

- Young professional groups, often affiliated with regional Chambers of Commerce, are well positioned to pilot these efforts locally. These local efforts can eventually be aggregated into a statewide program.

Vermont has the lowest college graduate retention rate in the country. Improving retention rates to the level of states like Maine, with similar demographic conditions, could add approximately **2,850 new workers** to Vermont's labor force annually. This would be a significant boost to the working-age population, supporting economic growth and vitality.

EFFICIENCY GOAL: Increase labor force participation rate to 70% by 2035.

Vermont - Labor Force Participation and Unemployment



Shaded gray areas represent recessions. LFR = Labor Force Participation Rate. U3 = Unemployment Rate. Youth = Ages 16-19
Chart: Vermont Futures Project • Source: Vermont Department of Labor • Created with Datawrapper

Efficiency Strategies Overview: Economic Alignment and Stewardship

Stewardship of Vermont's economy can increase labor market efficiency to help close Vermont's workforce gap and enhance long-term economic vitality. By reducing barriers to labor force participation, aligning educational pathways with current and future job market needs, and improving the business climate, Vermont can optimize its existing talent while also working to attract new people. This will require addressing structural, policy, and cultural barriers. Whether it is childcare and education, workforce re-entry and upskilling, or regulations and benefits cliffs, Vermont has room for improvement.

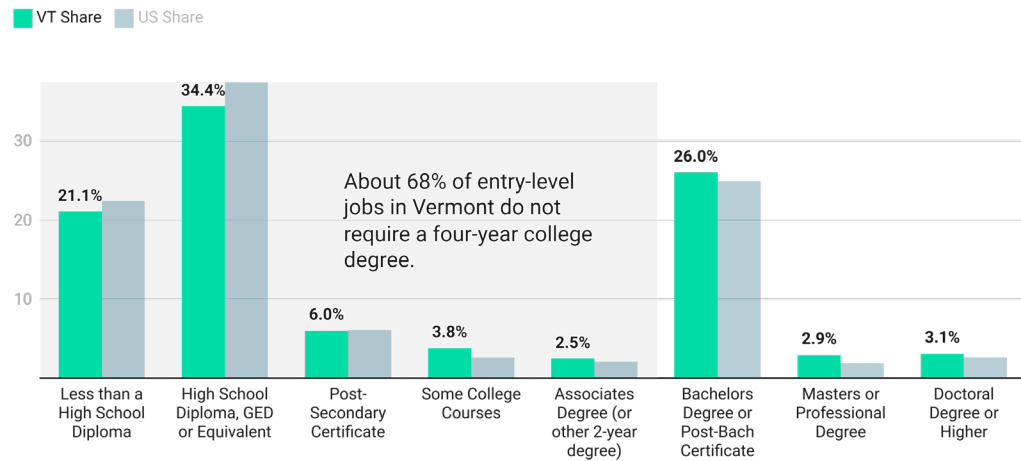
The potential positive impacts of implementing these recommendations are significant. A more efficient labor market will lead to higher workforce participation, enabling Vermont businesses to meet staffing needs and drive economic growth, leading to job creation and higher wages. Furthermore, by fostering a competitive business climate, Vermont will attract investment, innovation, and entrepreneurship. By making it easier for businesses to operate and grow, Vermont can boost its tax base, promote economic resilience, and ultimately make Vermont a more affordable and prosperous place for all.

Efficiency Strategy #1: Strengthen Alignment Between Education and Employment

Educational attainment is meant to drive economic opportunity and mobility and produce qualified candidates for employers in the labor market. According to the Strada Foundation, only 64% of Vermont's college graduates experience positive return on investment, meaning they earn enough to repay the full cost of their degree within 10 years, which places Vermont in the middle of the pack nationally.²⁶ This suggests a misalignment between education and employment. Vermont must strengthen partnerships between educational institutions, businesses, and industries. By aligning curricula with evolving economic needs, Vermont can equip individuals with the skills employers require, creating a consistent pipeline of skilled workers for the labor market. This alignment not only addresses workforce gaps but also fosters upward mobility for Vermonters, contributing to a more dynamic, equitable, and sustainable economy.

Training and Education Requirements

The distribution of entry-level jobs by educational requirement in Vermont is similar to the national distribution.



The typical education level required to enter an occupation is based on education and training categories from the Bureau of Labor Statistics Employment Projections program.

Chart: Vermont Futures Project • Source: Bureau of Labor Statistics • Created with Datawrapper

Career Mentorship and Counseling

- Introduce career exploration in middle schools to expand students' awareness of available opportunities.
- Foster partnerships that connect students with professionals for regular interactions that provide occupational insights and inspire career development.
- Continue to expand the distribution of high-pay, high-demand jobs information produced by **Advance Vermont** and **The McClure Foundation**.²⁷
- Engage family members of students in career development conversations to increase community awareness and information sharing.
- Enhance community awareness and information sharing by engaging with students' families in career development conversations.
- Utilize technology and artificial intelligence tools, such as the **Vermont Employment Pathfinder**²⁸, to enhance to better align skills, educational offerings, and employer needs.

High School and Post-Secondary Education

- Establish school district advisory councils with business leaders to ensure educational programs meet workforce needs.
- Expand internship, apprenticeship, and co-op opportunities in high school and college curricula to strengthen connections between students and local industries.
- Strategically increase enrollment capacity in programs that address workforce gaps based on long-term occupational projections and emerging economic trends.
- Collaborate with businesses to offer flexible, non-degree credentialing programs for adult learners to rapidly upskill the workforce.

Career & Technical Education (CTE)

Implement key recommendations from the 2023 Study on Vermont's CTE system.²⁹

- Create a statewide CTE district to streamline administration and operational efficiency.
- Repurpose under-utilized community spaces to expand CTE access and reduce capacity limitations.
- Simplify CTE program approval processes to adapt quickly to community and industry needs, particularly in healthcare and emerging technologies.
- Launch a statewide initiative to address stigma, improve CTE perceptions, and encourage greater enrollment in technical education. **Be Pro, Be Proud**³⁰ is an example used in many states.



Spotlight:

The Vermont Employment Pathfinder (VEP), launched in 2022, helps underemployed and marginalized Vermonters enhance their skills and increase earnings. Developed through a partnership between workforce experts and AI technologists, VEP uses AI to match users' skills with job opportunities, career goals, and training pathways, aiming to improve workforce participation and community prosperity.

Vermont lags behind the region in key educational performance metrics.

Category	Vermont	New England Average
High School Graduation	82.8%	88.9%
High School Dropout	15.4%	5.5%
College Enrollment	45.3%	57.7%
College Completion	61.2%	68.1%

Table: Vermont Futures Project • Source: Great Schools Partnership - Common Data Project • Created with Datawrapper



Spotlight:

The Vermont Talent Pipeline Management (TPM) Program³¹, hosted by the **Vermont Business Roundtable Foundation**, addresses the talent gap by aligning employer needs with training programs. It is a data-driven program, developed by the U.S. Chamber of Commerce Foundation. TPM has strengthened educational alignment by engaging with over 185 employers in construction, healthcare, and manufacturing in Vermont to identify key workforce needs.

Median Earnings by Educational Attainment

Median earnings for Vermonters with less than a bachelor's degree are greater than national levels. Median earnings for Vermonters with a bachelor's or graduate degree are lower compared to national medians. Vermont's overall median earnings are higher than the United States.

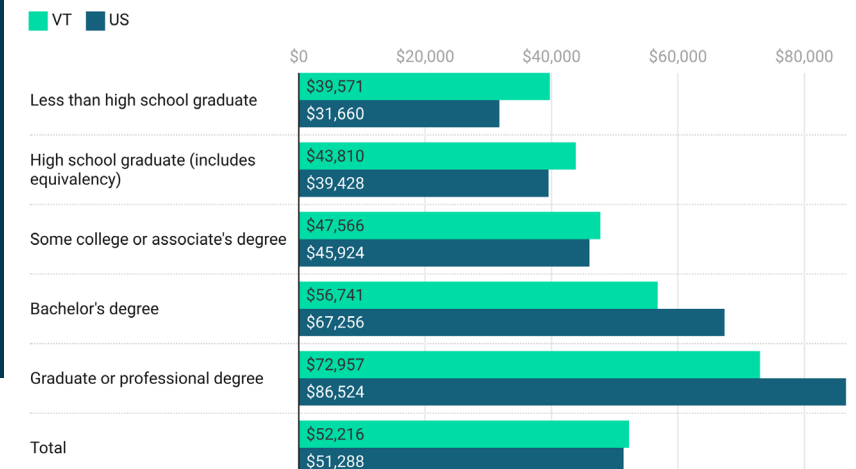


Chart: Vermont Futures Project • Source: US Census Bureau • Created with Datawrapper

Efficiency Strategy #2: Address Barriers that Prevent or Disincentivize Labor Force Participation

Although Vermont’s unemployment rate – which has hovered around 2% for several years – is historically low, about **71,772 Vermonters aged 18-64 are not in the labor force** and not seeking employment.³² While some are out of the labor force by choice, many could contribute to the economy if not for barriers—whether policy-related, structural, or cultural. Removing these obstacles can improve workforce participation, support economic growth, and empower Vermonters to fully engage in the economy.

Benefits Cliffs

A benefits cliff occurs when a modest increase in a worker’s earnings leads to a disproportionate loss of public assistance, resulting in a net decrease in overall resources. This phenomenon can create a disincentive for individuals to pursue higher-paying employment or additional work hours, as the financial gains from increased earnings are offset by the reduction or elimination of benefits. Vermont needs policy adjustments to ensure that individuals can improve their economic standing without facing abrupt losses in essential support services.³³

- **GRADUAL PHASE-OUT OF BENEFITS:** Implement policies that smooth the reduction of public benefits, such as healthcare, food assistance, and childcare subsidies, ensuring they taper off gradually as income rises rather than being abruptly cut off, reducing disincentives to work or seek promotions.

- **BENEFITS ANALYSIS AND MONITORING:** Conduct regular tax incidence studies and analysis of benefit structures to assess how different income levels affect benefits and work incentives, helping policymakers design interventions that avoid unintended consequences for workers.

NUMBERS TO NARRATIVE

A summarized excerpt from the 2021 Final Report of the Vermont Tax Structure Commission.

A single parent household with two kids and no income has about \$50,000 of public resources available to them. As household income rises from \$0 to \$27,500, total resources increase from \$50,000 to \$70,000. However, beyond an income of \$27,500, every additional dollar earned reduces total resources by more than a dollar. It isn’t until household income surpasses \$67,500 that total resources begin to exceed the amount available at \$27,500. This illustrates how benefits cliffs discourage work, where earning more income does not result in greater financial security.

“This is clearly not the intent of anyone working on these programs, and we don’t believe it would be too hard to solve, and that’s the first reason to restructure Vermont’s system of low-income assistance.” Deb Brighton, Stephen Trenholm, Bram Kleppner

Childcare

In Vermont, **7,911 parents with children under 6 are not in the labor force**.³⁴ Improving childcare access and affordability could help many of these parents return to work. Over the past decade, Vermont has seen a decline in childcare capacity, particularly with the closure of home-based providers. While a decrease in the child population and a slight increase in center-based care have partially offset this, center-based care is significantly more expensive—51%, 50%, and 42% higher for infants, toddlers, and preschoolers, respectively, compared to home-based care.³⁵ Expanding childcare can boost workforce participation if the number of parents returning to work outweighs the demand for new childcare provider employees. Data-driven strategies are needed to improve affordability, equity, and workforce outcomes.

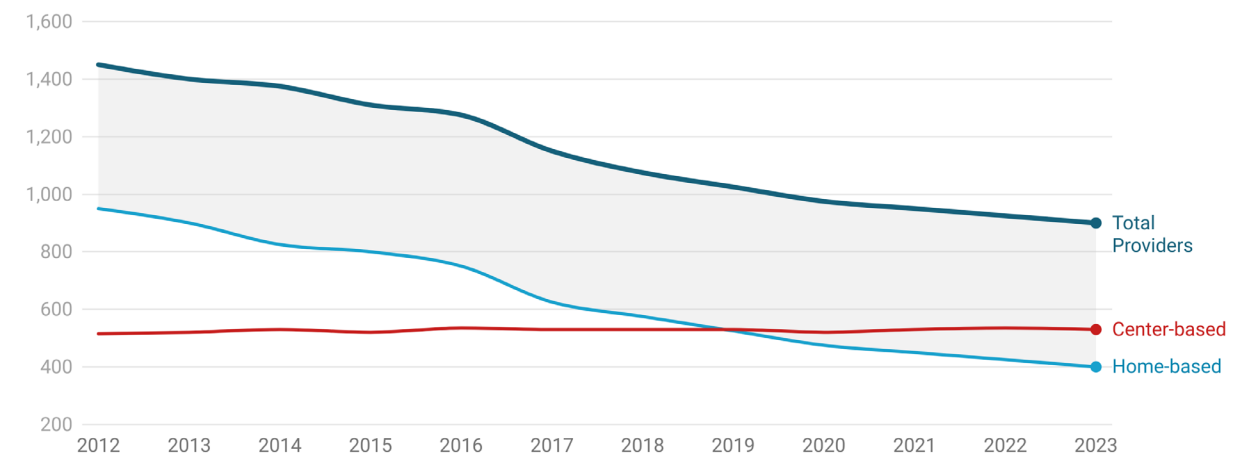
- **MEASURING PROGRESS:** Continue to ensure accountable and transparent implementation of Act 76 including the collection and analysis of data to understand the economic impacts of the childcare contribution payroll tax.

- **EMPLOYER-BASED SOLUTIONS:** Explore tax exemptions for employers that incorporate childcare into their employee benefits. Such measures could reduce barriers for working parents and encourage more private-sector solutions to augment public options.

- **REGULATORY RELIEF:** Streamline administrative processes and reduce regulatory burdens for home-based childcare providers so that more time can be spent on delivering and expanding quality care instead of navigating complex requirements.

Number of Vermont Childcare Providers by Type

Decline in childcare availability has been driven by the closure of home-based providers.



Excluding school-age-only programs. Chart adapted from Bo Zhao and Maria J. Luengo-Prado calculations on data from the Vermont Department for Children and Families

Chart: Vermont Futures Project • Source: Federal Reserve Bank of Boston • Created with Datawrapper

Labor force Participation by Poverty Status in Past 12 Months

Benefits cliffs can disincentivize labor force participation and lead to higher unemployment rates among people in poverty. By smoothing the transition off public assistance, Vermont can encourage economic mobility, increase workforce engagement, and reduce poverty, helping individuals achieve greater financial stability.

Status	Total	Labor Force Participation Rate	Unemployment Rate
Below poverty level	34,703	44.9%	13.8%
At or above the poverty level	325,293	87.6%	1.8%

Table: Vermont Futures Project • Source: US Census Bureau • Created with Datawrapper

Number of People Released from Incarceration

Employment plays a crucial role in the successful reintegration of justice-involved individuals, but many face barriers such as ineligibility for workforce and housing opportunities, as well as stigma and discrimination.

Year	2020	2021	2022	2023
Count	2,908	2,338	3,057	4,211

Table: Vermont Futures Project • Source: Vermont Department of Corrections • Created with Datawrapper

Justice-Involved Individuals

Vermonters exiting incarceration can play a role in closing Vermont's workforce gap. Providing technical support and education to employers, as well as job training and wrap-around services for individuals transitioning back into society, can significantly enhance workforce participation. Integrating justice-involved individuals can create a more inclusive labor market while addressing public safety challenges. Expanding access to training during incarceration and developing partnerships with employers can ensure that individuals are equipped with the skills needed to succeed, benefiting both the individuals and the broader economy.

- **PROVIDE TECHNICAL SUPPORT AND EDUCATION TO EMPLOYERS:** Assist employers with hiring justice-involved individuals, helping them mitigate risk and build supportive workplaces that set employees up for long-term success.
- **OFFER JOB TRAINING AND WRAP-AROUND SERVICES:** Expand job training programs, certifications, and wrap-around services to support justice-involved individuals to join the workforce and re-integrate into society.
- **ENHANCE ACCESS TO TRAINING DURING INCARCERATION:** Establish advisory groups of employers and educators to work with the corrections system to design and deliver relevant workforce development opportunities during incarceration.



Spotlight:

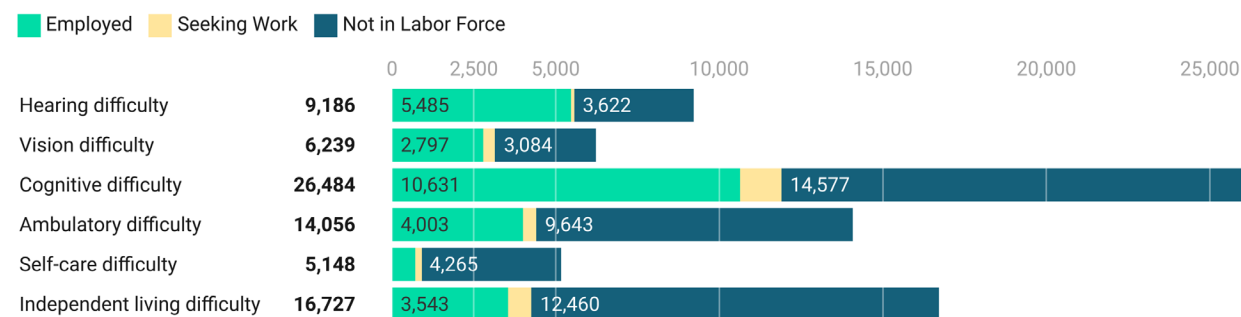
Vermont offers innovative programs to help justice-involved individuals overcome workforce barriers and reintegrate into society. **Working Fields**³⁶ connects marginalized job seekers to employment opportunities while providing peer coaching for career stability. **The University of Vermont's Liberal Arts in Prison Program (LAPP)**³⁷ fosters personal growth and mutual learning through enrichment courses for incarcerated individuals with college students. **The Corrections Post-Secondary Education Initiative (CPSEI)**³⁸ by the Community College of Vermont offers tuition-free college courses and career coaching to reduce recidivism and build workforce skills. These types of initiatives address educational gaps and support workforce development statewide.

Disabilities

Approximately **24,587 Vermonters with disabilities are not in the labor force**.³⁹ Removing barriers to employment for individuals with disabilities is crucial for creating a more inclusive, productive workforce. By ensuring accessibility and providing support, Vermont can tap into a broader talent pool, improving economic efficiency, promoting equity, and enhancing the well-being of all residents.

- **ENCOURAGE INCLUSIVE HIRING PRACTICES:** Support the integration of individuals with disabilities by encouraging employers to provide flexible work arrangements and reasonable accommodations.
- **INCREASE AWARENESS OF SUPPORT PROGRAMS:** Promote the use of state and federal tax credits and accessibility grants that assist workers with disabilities.

Employment Status by Disability Type



Bolded numbers at the end of each bar represents the summed total in each category.
Chart: Vermont Futures Project • Source: US Census Bureau • Created with Datawrapper



Spotlight:

HireAbility Vermont⁴⁰ connects individuals with disabilities to employment by breaking down barriers to work. The program offers job training, career counseling, and workplace support to help participants secure and retain meaningful employment. Through partnerships with local employers, HireAbility provides tailored solutions to ensure individuals with disabilities succeed in the workforce. The program educates employers, provides on-the-job training, and supports inclusive workplaces. By expanding job access and fostering supportive employer relationships, HireAbility Vermont contributes to a more diverse workforce, driving economic growth and enhancing the well-being of all Vermonters

Mature Workers

Vermont's aging population presents a unique opportunity to address workforce shortages by leveraging the experience and skills of mature workers. Currently, around **111,000 Vermonters aged 65 and older are not in the labor force, roughly 40,000 more than the total number of 16-64 year olds who are not employed**.⁴¹ For seniors interested in working, targeted support and workplace accommodations can enable them to thrive in roles that align with their capabilities.

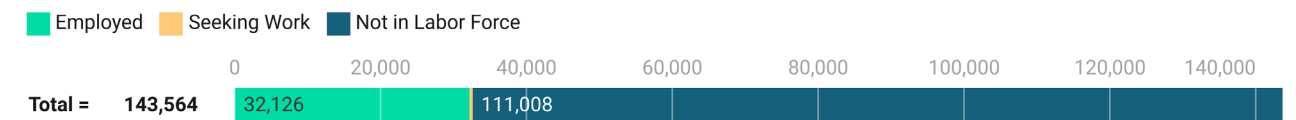
The Age Strong Vermont plan highlights that workforce engagement by older adults improves economic vitality, creates healthier communities, and strengthens social connections. Mature workers bring invaluable experience, institutional knowledge, and leadership, contributing to multigenerational workplaces that drive innovation and resilience. Additionally, extended workforce participation can enhance financial security for older Vermonters.⁴²

- **FLEXIBLE EMPLOYMENT:** Promote flexible work options, phased retirement, and part-time roles

tailored to older workers, allowing them to continue contributing to the labor force while maintaining work-life balance.

- **DEVELOP RETURNSHIP PROGRAMS:** Support mature workers re-entering the workforce after career breaks, focusing on upskilling to match their expertise to in-demand roles.
- **FOSTER PARTNERSHIPS:** Increase collaboration between businesses and community organizations to address barriers like age-related bias, accessibility, and training, ensuring mature workers are supported and valued in an inclusive workforce.
- **TARGETED RECRUITMENT:** Leverage senior centers and community organizations for job fairs to connect older Vermonters with employment opportunities.
- **REMOVE DISINCENTIVES:** Address benefits cliffs so that older Vermonters who are willing and able to work can do so without a disproportionate loss in benefits.

Employment Status of Population Age 65+



About 430 people age 65+ are estimated to be actively seeking work in Vermont.
Chart: Vermont Futures Project • Source: US Census Bureau • Created with Datawrapper



Spotlight:

Green Mountain Academy for Lifelong Learning (GMALL)⁴³ and the **Osher Lifelong Learning Institute (OLLI)**⁴⁴ at the University of Vermont are key organizations providing educational opportunities for older adults in Vermont. GMALL offers a wide range of lectures, workshops, and discussions promoting intellectual engagement and community involvement. Similarly, OLLI provides learning programs specifically for individuals over 50, supporting lifelong learning through in-person and online courses. These programs play a critical role in empowering mature workers by enhancing their skills, keeping them engaged in the workforce, and contributing to Vermont's economy.

Part-Time Workers

Part-time work is common among youth balancing school and work, as well as older adults transitioning into retirement. Vermont employers can leverage innovative employment models for part-time workers, such as fractional hiring, employee exchange programs, and micro-internships to boost workforce participation and productivity.

FRACTIONAL HIRING: This model involves hiring professionals, often executives, on a part-time basis. It allows businesses to access specialized expertise without the full-time commitment, while professionals benefit from flexible schedules and diverse work experiences.

EMPLOYEE EXCHANGE PROGRAMS: These programs enable the temporary transfer of employees between organizations, especially during fluctuating demand. They help businesses retain skilled workers during slow periods and provide employees with continuous opportunities, fostering workforce stability and development.

MICRO-INTERNSHIPS: These short-term, project-based part-time positions provide students with professional experience, helping to bridge the gap between education and employment.

- **Increase Employer Awareness:** Educate Vermont employers and business associations on the benefits of fractional hiring, employee exchange programs, and micro-internships. These models can boost productivity and improve workforce retention.
- **Facilitate Exchanges:** Create platforms that connect businesses with opportunities for employee exchanges, making it easier for companies to share resources and meet fluctuating demands.
- **Expand Micro-Internship Offerings:** Encourage Vermont employers to partner with local colleges and universities to offer project-based work opportunities for students.
 - *University of Vermont's micro-internship program is a model to follow.*⁴⁵

Work Status by Age in Past 12 Months

Age	16 to 19	20 to 24	25 to 44	45 to 54	55 to 64	65 to 69	70+
Full-time	1,673	15,319	102,031	52,664	51,111	20,929	3,756
Part-time	23,599	21,033	38,053	14,665	21,085	10,534	13,413

Table: Vermont Futures Project • Source: US Census Bureau • Created with Datawrapper

IDEAS IN ACTION -

Excerpt from Rhino Foods Whitepaper: Employee Exchange Program⁴⁶

In 1993, Rhino Foods was faced with the issue of excess staffing brought on by efficiency improvements and an unexpected drop in sales. Ted Castle, the owner of Rhino Foods, was not interested in laying off his employees. Instead, he turned to his staff to explore creative solutions to reduce the workforce while at the same time maintaining well-trained employees in the long-term.

Twenty-six employees formed a committee to brainstorm alternatives to layoffs. Through a series of creative brainstorming meetings, the concept of the Employee Exchange Program was born. After securing buy-in from key veteran employees, Rhino sent several of its "best" workers to a neighboring manufacturer to prove to everyone in the company that the program was serious. Since that time, the program has been a success for all involved: Rhino keeps its skilled workers long-term, the employees avoid the stress and upheaval of layoffs, and partnering businesses experience the same benefits at their companies.

Efficiency Strategy #3:

Strengthen Vermont's Business Climate

A strong business climate is essential for Vermont's economic growth and competitiveness. Currently, the state's business environment lacks consistency, predictability, and transparency, which creates challenges for businesses. By fostering a more flexible, competitive, and coordinated atmosphere between the public and private sectors, Vermont can attract investment, support business growth, and improve its reputation as a business-friendly state.

- **SIMPLIFY REGULATORY AND PERMITTING PROCESSES:** Streamline administrative requirements to reduce delays, make compliance easier, and lower business costs.
- **REVISE THE TAX STRATEGY:** Instead of adding taxes to boost public revenue, aim to grow the tax base through business growth. Lower the overall tax burden to improve competitiveness compared to neighboring states enabling business to scale in Vermont.
- **FOSTER INNOVATION AND ENTREPRENEURSHIP:** Offer R&D tax credits and streamlined processes for startups to encourage new business formation and expansion.

- **EXPAND ACCESS TO CAPITAL:** Increase availability of financial tools, such as small business loans, non-dilutive funding, and private investment incentives.
- **SUPPORT BUSINESS GROWTH:** Enable businesses to scale by leveraging targeted investments, such as the Vermont Employment Growth Incentive (VEGI),⁴⁷ and exploring new incentives to drive expansion and job creation. Continue to bolster the business support ecosystem of technical assistance and mentorship beyond business creation.

Creating a strong business climate is essential for fostering business growth, job creation, and new opportunities in Vermont. By simplifying regulations, lowering taxes, and providing targeted support for business expansion, Vermont can cultivate an environment for economic prosperity. This growth leads to higher wages, which not only retains young talent but also helps attract working-age people, addressing the state's workforce gap. A competitive and dynamic business environment ensures that companies can scale, create stable, well-paying jobs, and contribute to a robust economy—ultimately helping to close the workforce gap and positioning Vermont as a desirable place to live and work.

2023 Private Employment & Wages by Firm Size

Supporting business growth and enabling small firms to scale up can lead to higher wages, job creation, and stronger workforce recruitment and retention.

Firm Size	Total Firms	% Total Firms	Total Employees	% Private Employment	Average Monthly Earnings
0-19	26,758	91.71%	67,031	26.36%	\$3,905
20-49	1,646	5.64%	33,064	13.00%	\$4,689
50-249	694	2.38%	41,289	16.24%	\$5,308
250-499	44	0.15%	18,570	7.30%	\$5,580
500+	34	0.12%	94,917	37.32%	\$6,026

Total firms aggregated from Bureau of Labor Statistics Census of Employment and Wages to match US Census Bureau Workforce Indicator groupings. Table: Vermont Futures Project • Source: US Census Bureau QWI Explorer • Created with Datawrapper

Efficiency Strategy #4:

Improve Fiscal Responsibility and Leverage Economies of Scale

Ensuring long-term fiscal sustainability and economic growth requires Vermont to regularly evaluate public revenue and spending. This data-informed approach helps control costs while enabling businesses and residents to thrive without raising taxes. Vermont's rural nature and lack of county-level governance make it essential to streamline public sector operations and adopt modern systems to maximize resource allocation across dispersed communities.

COST CONTAINMENT STRATEGIES: Benchmark state spending increases to metrics like inflation, personal income, or population growth to maintain fiscal discipline. Colorado's Taxpayer's Bill of Rights (TABOR)⁴⁸ caps state spending at the rate of inflation plus population growth, and Massachusetts' Chapter 62F⁴⁹ sets a cap on revenue growth, requiring excess revenue to be refunded to taxpayers.

TAX INCIDENCE ANALYSES: Regularly assess the impact of tax policies on households and businesses to guide adjustments that reduce the overall tax burden. For example, Minnesota's biennial tax incidence studies⁵⁰ identifies downstream burden on households and businesses to account for cost shifting beyond initial tax imposition.

MODERNIZE OPERATIONS: Implement digital tools to streamline permitting, automate routine tasks, and centralize business services. These upgrades will reduce

administrative burdens, enhance accessibility, and improve efficiency for Vermonters.

FOSTER COLLABORATION AND REGIONAL PARTNERSHIPS: Encourage municipalities to share administrative services, coordinate economic development, and pool resources to reduce redundancies and improve service delivery across rural areas. Align public sector activities with shared economic goals and strengthen cooperation between state agencies and local communities to bridge governance gaps, ensuring cohesive strategies and effective implementation.

*"Vermont's Lack of County Government Stymies Flood Recovery. Towns often rely on volunteers to navigate complicated federal relief channels. And flood mitigation projects would ideally be regional, not local, efforts."*⁵¹ - Seven Days

2023 State Tax Collections Per Capita

Vermont ranks third in the nation for tax collections per capita, with property and individual income taxes being the largest sources of revenue. Most New England states rank in the top half, except New Hampshire, which ranks the lowest in the country. North Dakota ranks first due to taxes on natural resource extraction.

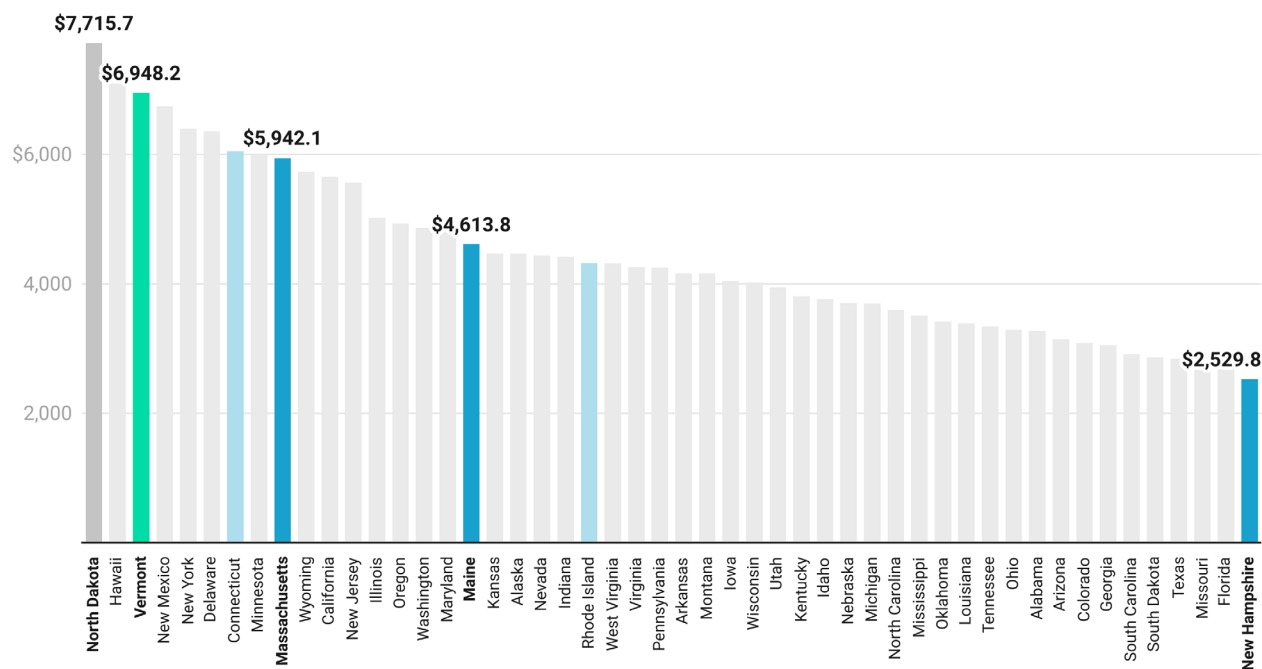


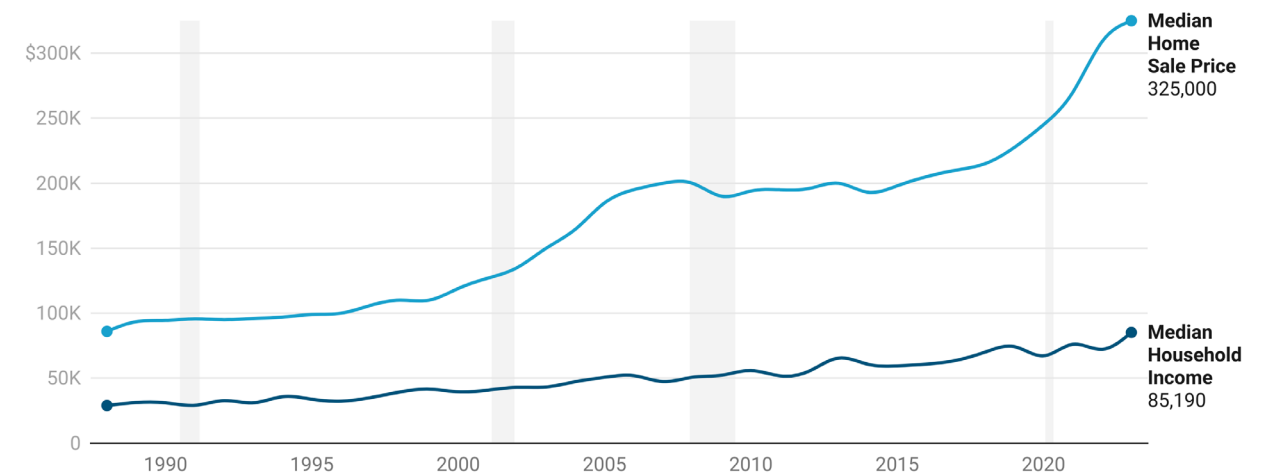
Chart: Vermont Futures Project • Source: US Census Bureau • Created with Datawrapper

Places Framework

This framework addresses both Vermont's short-term housing needs and long-term strategic goals, outlining expansion and efficiency strategies to meet the state's housing challenges and support its economic sustainability. Expanding housing is essential to tackling affordability and economic opportunity. A shortage of housing drives up prices for both renters and homeowners, placing a significant financial burden on families and affecting other basic needs like food, healthcare, and transportation. Expanding housing options will alleviate pressure on housing prices, enabling residents to meet their needs and retain financial flexibility for other expenses.

Vermont Housing Affordability

In 1988, the income-to-price ratio was 2.97. In 2023, the ratio was 3.82

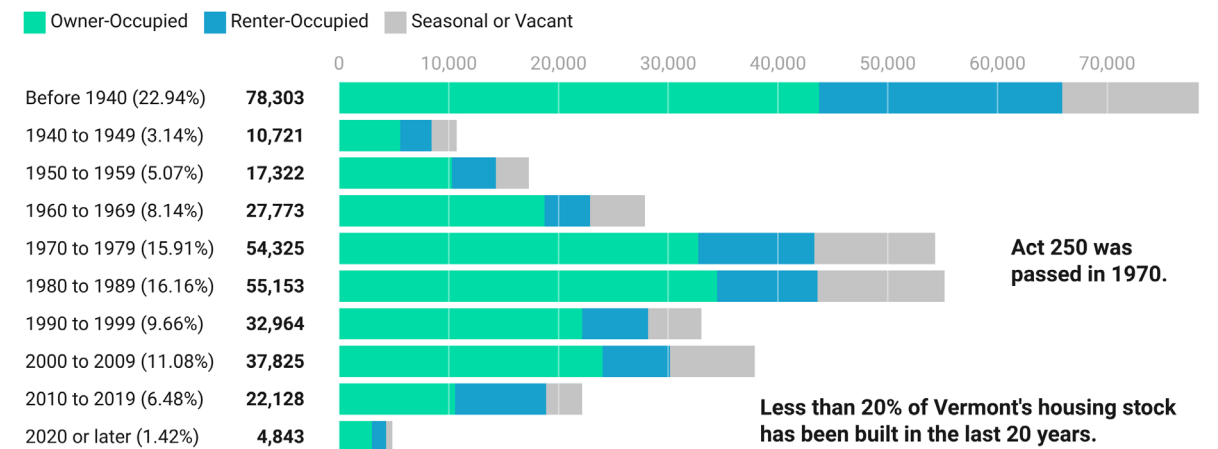


Shaded gray columns represent recessions.

Chart: Vermont Futures Project • Source: VT Dept. of Taxes and US Census Bureau via Federal Reserve Bank of St. Louis. • Created with Datawrapper

Estimated Housing Units by Year Structure Built

Vermont has some of the oldest housing stock in the country. A quarter of homes were built before 1940. Rates of housing construction were healthy in the 1970s and 1980s relative to the needs of the population at the time. Vermont's current housing shortage is the result of decades of decelerating housing construction.



Seasonal data calculated by subtracting owner- and renter-occupied estimates in US Census Bureau 2023 1-year ACS estimates table B25036 from total units estimates in table B25034.

Chart: Vermont Futures Project • Source: US Census Bureau • Created with Datawrapper

Vermont used to build housing at a much higher rate, but growth has slowed in recent decades, creating a housing shortage. This shortage is a key factor holding back the state’s progress on issues like attracting young workers, healthcare costs, property taxes, and public safety. The housing shortage is driven by rising construction costs, outdated land use regulations, permitting delays, and anti-growth activists opposing development—all of which slow progress and make it difficult to meet demand.

Are you supportive of creating new housing to increase the population in...?

Uncertainty and opposition increase with proximity.

Response	Vermont	Your Town	Your Neighborhood
Yes	60.0%	57.2%	46.3%
No	20.3%	24.6%	31.0%
Unsure	19.7%	18.2%	22.7%

Table: Vermont Futures Project • Source: 2023 Vermonter Poll • Created with Datawrapper

“I think the best thing we can do is believe the people we’re hearing from, whether it’s people with direct lived experience, whether it’s from a homebuilder who’s telling us the numbers don’t work, whether it’s from the overhoused older Vermonter... We have to believe the voices that we’re hearing and then see what we can do to act on that.” - Maura Collins, Executive Director VHFA⁵²

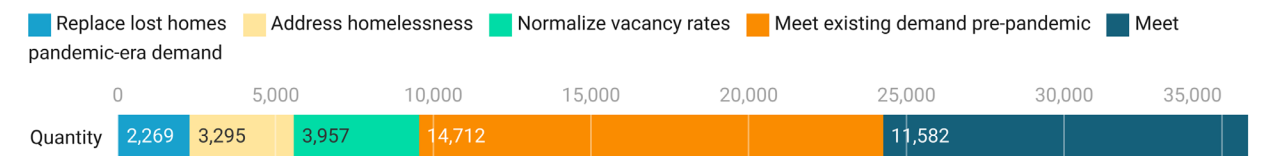
Closing the Gap

Addressing Vermont’s housing needs is both a short-term priority and a long-term commitment that will shape the state’s economic future. The statewide housing needs assessment⁵³ estimates that Vermont requires 36,000 new units by 2029, or 7,200 new homes annually over the next five years. However, housing production has significantly lagged, with only 2,500 units permitted last year, the highest number since the mid-2000s. To meet future needs, **Vermont must triple its housing output**, not only in the next five years but for at least the next decade.

Demand for Vermont increased during the pandemic and positive net migration continues to persist.⁵⁴ Broader environmental and political trends may continue to increase the demand for Vermont⁵⁵ which the state can capitalize on by producing ample housing supply.

36,000 Primary Homes Needed in Vermont Over the Next Five Years

The supply of available homes has not kept pace with the increase in demand to live in Vermont. Without increased supply, Vermont’s home sale and rental markets will continue to grow tighter, with prices likely to continue to increase.

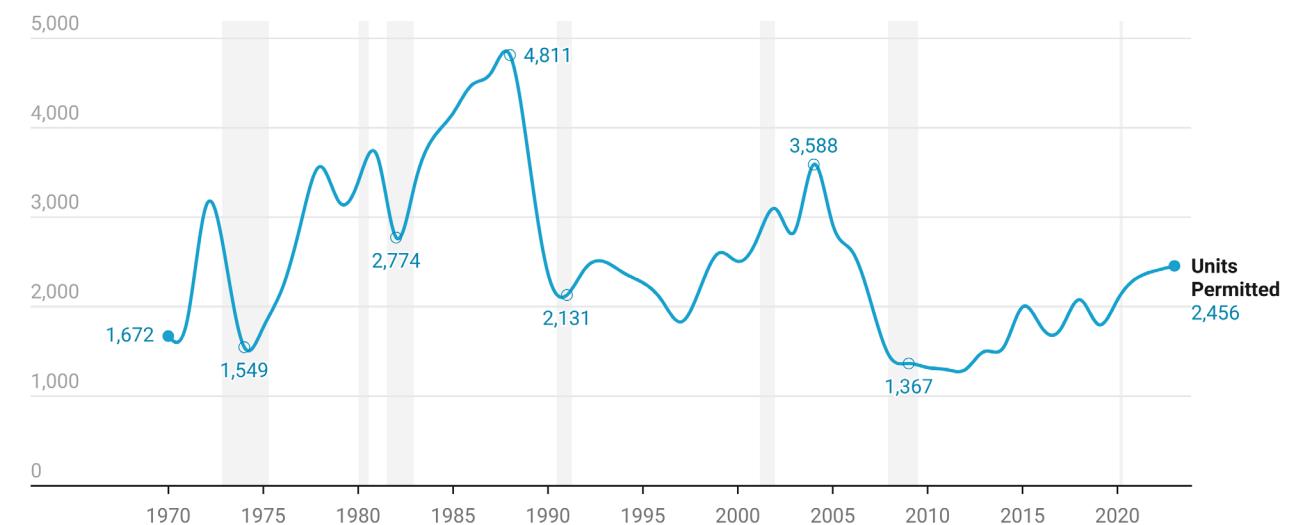


Analysis based on Census Bureau Current Population Survey/Housing Vacancy Survey, American Community Survey, and Vermont Coalition to End Homelessness.

Chart: Vermont Futures Project • Source: VHFA Statewide Housing Needs Assessment • Created with Datawrapper

Housing Units Authorized by Building Permits

Annual number of units permitted must triple to address shortages and proactively meet future housing needs.



Gray shaded areas represent periods of recession that often correlate with a decline in home construction.

Chart: Vermont Futures Project • Source: US Census Bureau • Created with Datawrapper

VERMONT NEEDS TO ADD AN AVERAGE OF 13,500 NEW PEOPLE into the workforce annually through 2035 to sustain a thriving economy. Attracting and retaining this workforce will be impossible without addressing the housing shortage. Vermont’s housing market must rapidly scale up to improve affordability and provide a range of housing options for both existing residents and future Vermonters. To achieve these goals, Vermont must pursue a dual strategy of efficiency and expansion. Efficiency can be achieved by removing barriers such as outdated land-use regulations and streamlining permitting processes. Expansion requires strategically building new homes and infrastructure.

This coordinated approach to housing and workforce needs will create a sustainable balance between an active working-age population and retirees, ensuring the tax base remains robust to support an aging population and the next generation of Vermonters. It is essential for a prosperous and sustainable future.

EXPANSION GOAL:

Increase Vermont’s non-seasonal housing stock to 350,000 homes by 2035.

“If housing is a human right, then it should be right to build housing.”

Incremental Progress Towards Aspirational Housing Goals

Vermont’s housing growth rate has declined considerably since its peak in the 1980s, when it increased at a rate of nearly 2% per year. From 2010 to 2020, Vermont’s occupied housing stock grew by an average of just 0.6% per year. Targeting 1.8% to 2.0% per year for the next decade can set up Vermont for long-term economic success.

Year	Owner-Occupied	Renter-Occupied	Total Non-Seasonal Housing Units	% change from prior period	Net increase from prior period	Additional units for healthy market	Total units needed
1980	122,560	55,765	178,325	-	-	-	-
1990	145,368	65,282	210,650	18.1%	32,325	-	-
2000	169,784	70,850	240,634	14.2%	29,984	-	-
2010	181,407	75,035	256,442	6.6%	15,808	-	-
2020	190,041	81,849	271,890	6.0%	15,448	-	-
2023	204,730	74,882	279,612	2.8%	7,722	-	-
2024	208,620	76,305	284,925	1.9%	5,313	1,825	7,138
2025	212,584	77,755	290,338	1.9%	5,414	1,858	7,271
2026	216,623	79,232	295,855	1.9%	5,516	1,891	7,408
2027	220,739	80,737	301,476	1.9%	5,621	1,925	7,547
2028	224,933	82,271	307,204	1.9%	5,728	1,960	7,688
2029	229,206	83,834	313,041	1.9%	5,837	1,995	7,832
2030	233,561	85,427	318,989	1.9%	5,948	2,031	7,979
2031	237,999	87,050	325,049	1.9%	6,061	2,068	8,129
2032	242,521	88,704	331,225	1.9%	6,176	2,105	8,281
2033	247,129	90,390	337,519	1.9%	6,293	2,143	8,436
2034	251,824	92,107	343,931	1.9%	6,413	2,181	8,594
2035	256,609	93,857	350,466	1.9%	6,535	2,221	8,755

2023 estimates are from US Census American Community Survey. Gray-shaded rows are historic decennial census data. Green-shaded rows represent future growth needed to address Vermont’s housing shortage. Additional units for a healthy market include units needed to offset destroyed homes, address homelessness, restore balanced vacancy rates.

Table: Vermont Futures Project • Source: US Census Bureau • Created with Datawrapper

Expansion Strategies Overview: Build New Housing and Infrastructure to Meet Both Current and Future Needs

Vermont’s future depends on expanding housing and infrastructure to meet the demands of a growing population and evolving economic landscape. A multifaceted strategy for increasing housing supply is critical to ensuring long-term affordability, economic vitality, and sustainability. By developing a wide range of housing options—both affordable and market-rate homes—Vermont can ensure more people have the opportunity to live in vibrant, well-connected communities. Expanding housing will address the current shortage while supporting workforce retention, attracting new residents, and balancing supply and demand to stabilize costs. Strategies such as preparing land for development, incentivizing higher-density, and exempting taxes on building materials will accelerate housing construction, particularly in underserved areas. Innovative methods like modular housing and new financing tools, including Tax-Increment Financing (TIF), will further enhance the state’s ability to meet housing demand across all regions.

Additionally, strategic investments in infrastructure are essential to support housing growth and sustain economic vitality. Expanding broadband access and utility systems (water, sewer, energy) are vital for fostering economic development and improving quality of life for residents across Vermont. Infrastructure expansion in both urban and rural areas ensures that growth benefits the entire state. These improvements will also increase climate resilience and energy efficiency, helping Vermont adapt to future challenges. Population growth offers a unique opportunity to revitalize rural areas, and expanding infrastructure ensures that all communities, urban and rural alike, have equal access to essential services. By prioritizing both housing and infrastructure, Vermont can foster inclusive growth, attract new talent, and lay the foundation for lasting economic and social resilience.

Expansion Strategy #1: Go “all in” on Accelerating Housing Construction

Vermont faces a critical housing shortage that requires tripling the rate of new housing construction. To achieve this, a coordinated, comprehensive approach is necessary, combining land-use policy reforms, regulatory streamlining, innovative construction methods, workforce development, and financial incentives. A multifaceted strategy targeting each aspect of homebuilding—land, lumber, labor, lending, and laws—will be essential for expanding housing to ensure long-term affordability, sustainability, and economic vitality in Vermont.

Land

- Establish a **public land bank**, starting with state-owned parcels, to acquire and prepare underused or vacant properties for development by ensuring necessary infrastructure like roads, water, sewer, electricity, and broadband are in place.
- Modify existing tools like Tax Increment Financing (TIF) to install infrastructure that incentivizes housing development in areas where the market alone would not.
- Promote higher-density development in urban and village centers, and encourage adaptive reuse of underutilized buildings and infill development to reduce sprawl and preserve rural landscapes.

Lumber (Materials)

- Explore **tax exemptions or rebates on building materials** to lower construction costs.
- Promote **prefabricated or modular construction methods** that can reduce material waste and accelerate building timelines with consistent quality and economies of scale.

Labor

- Bolster apprenticeship and vocational training programs to grow the local construction workforce, including carpenters, plumbers, electricians, and other skilled trades.

- Coordinate unions, tech centers, and community colleges to create training pipelines that can meet the demand for construction labor as housing projects ramp up.
- Partner with out-of-state contractors and subcontractors to address surge demand, and **leverage college campus housing for temporary workers during the summer season.**
- Expand our support system for welcoming new Americans and providing them with the necessary training to become active participants in our homebuilding industry.
- Ensure continuity for businesses in construction and the trades with owners nearing retirement. **Highlight business transfer opportunities in relocation marketing** to prevent business closure when local succession options are scarce.

Lending

- Broaden financing options by working with local banks, credit unions, Community Development Financial Institutions (CDFI), and public entities to provide a more robust capital stack for developers that help to de-risk projects and unlock private funding.
- Increase funding and expand eligibility for the **Rental Revolving Loan Fund and Community Housing Accelerator Programs**⁵⁶, which provide low-interest loans to developers of middle-income rental housing. Expand the program to include market rate projects above current area median income thresholds.
- Develop a first-time homebuyer downpayment assistance program that encourages “sweat equity” in areas where there is low cost housing with deferred maintenance.

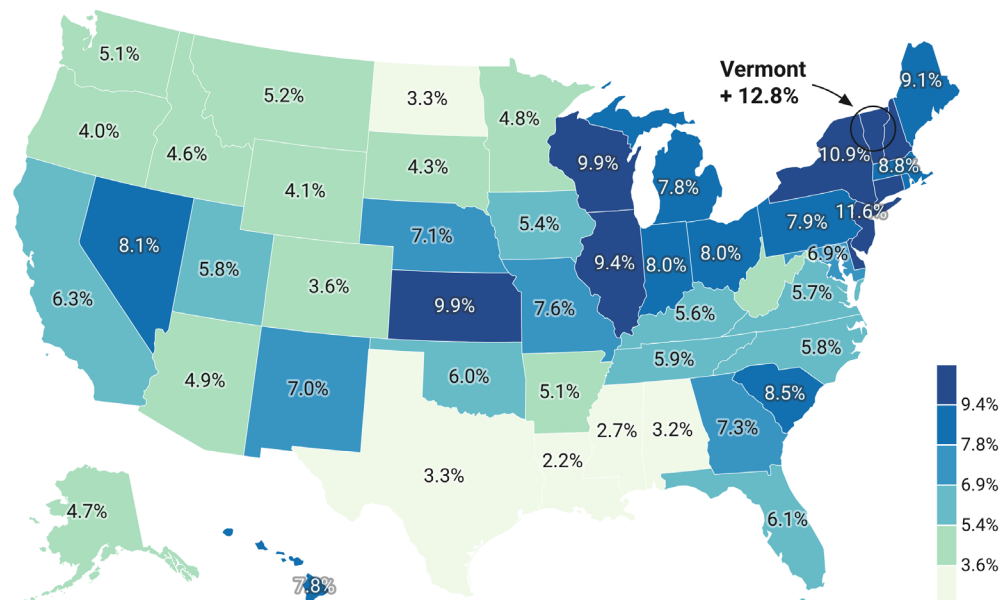
Laws

Outdated zoning laws and regulatory delays can slow the housing development process, increase costs, derail projects, or prevent interested parties from even trying. **Strategies to address these barriers are covered in the Efficiency section.**

By addressing these critical areas—land, lumber, labor, lending, and laws—Vermont can not only close the housing gap but also create a sustainable foundation for long-term population growth, a thriving workforce, and resilient communities. Accelerating housing development will stabilize housing costs⁵⁷, support economic dynamism, and ensure that Vermont remains an attractive place for new residents while meeting the needs of current residents too.

Home Price Index Change from 2023 to 2024

A nationwide analysis by the Federal Housing Finance Agency found that Vermont experienced the highest year-over-year home price index appreciation rate of any state in the country. The national average was 6.6%.



Map adapted from VTDigger story by Carly Berlin with data visualizations created by Erin Petenko. Map: Vermont Futures Project • Source: Federal Housing Finance Agency • Created with Datawrapper

Expansion Strategy #2: Use Tax-Increment Financing to Support Housing and Infrastructure Expansion

Tax-increment financing (TIF) can play a key role in facilitating both housing and infrastructure development, especially in areas where private investment might otherwise be limited. By using future tax revenues from new developments, TIF provides immediate funding for essential infrastructure improvements, which in turn support both existing and new housing projects. TIF is particularly effective in revitalizing urban and village centers, enabling higher-density development and stimulating economic activity. It also produces conditions that allow communities to leverage other assistance.⁵⁸

- **EXPAND TIF ELIGIBILITY:** Broaden the eligibility criteria for TIF districts to include more rural and underserved areas that seek revitalization.
- **SUPPORT GROWTH OF PROJECT-BASED TIF:** Targeted financing on individual projects rather than broad district-wide initiatives improves accessibility for smaller municipalities. This approach enables a more precise allocation of resources and should have a streamlined application and approval process.

TIF District Overall Summary through FY23

Vermont’s nine active TIF districts are planning over \$330.3 million in public infrastructure improvements, including roads, utilities, and civic facilities. These projects will be financed with up to \$301.9 million in debt, supplemented by grants and other revenues. To date, local votes have approved \$241.3 million of debt, with \$132.2 million incurred and \$42.4 million repaid. As a result, the grand list values of these districts are expected to increase by \$1.798 billion, with a current increase of \$545.3 million. Additionally, the two retired TIF districts, Newport and Milton North/South, completed \$9.5 million in infrastructure upgrades, leading to a \$51.5 million increase in grand list values.

Number of Active Districts	9
Retired TIF District	2
Total Increase in Taxable Value	\$545,298,394
Total Incremental Revenues Generated	\$116,714,765
Growth in Jobs	1,904
Work Performed by Vermont Firms	\$7,414,767

Table: Vermont Futures Project • Source: Vermont Economic Progress Council • Created with Datawrapper



Expansion Strategy #3:

Pursue infrastructure expansion and upgrades that will facilitate new housing, population growth, and improve climate resilience.

Vermont's infrastructure received a "C" rating from the American Society of Civil Engineers in 2023, with aging systems, substantial maintenance backlogs, and insufficient resilience to climate change⁵⁹. The state faces challenges in prioritizing limited funding for infrastructure improvements while addressing competing needs such as capacity, safety, and sustainability. However, strategic investments in infrastructure—particularly those that support housing development—offer a return on investment by expanding the tax base, which in turn provides additional funding for future improvements. This section focuses on priority infrastructure categories that will enable expansion of new housing developments, attract residents and businesses, and support economic vitality.

2023 Report Card for Vermont's Infrastructure

Category	National Grade	VT 2019 Grade	VT 2023 Grade
Aviation	C	C	C
Bridges	C	C+	B-
Dams	D	C	C
Drinking Water	C-	C-	C
Energy	C-	B-	C+
Roads	D	C+	C+
Solid Waste	C+	B-	C+
Stormwater	D	D+	C-
Wastewater	D+	D+	D+
Overall	C-	C	C

Summarized Grading Scale from ASCE: A - Exceptional: Fit for the Future. Infrastructure is in excellent condition, meets future capacity needs, and is resilient to disasters. B - Good: Adequate for Now. Infrastructure is in good to excellent condition, with minor deterioration and few significant deficiencies. Safe and reliable. C - Mediocre: Requires Attention. Infrastructure shows general deterioration and significant deficiencies, with increasing risk and need for improvement. D - Poor: At Risk. Infrastructure is below standard, with significant deterioration and strong risk of failure. F - Failing/Critical: Unfit for Purpose. Infrastructure is in unacceptable condition, with widespread failure imminent.

Table: Vermont Futures Project • Source: American Society of Civil Engineers (ASCE) • Created with Datawrapper

Water and Wastewater

Vermont's water and wastewater systems are essential for supporting housing growth. Upgrading these systems enables higher-density development, ensures public health and environmental protection, and enhances the state's ability to handle future growth. As of 2023, Vermont's drinking water systems are rated "C," stormwater systems "C-," and wastewater systems "D+." **Many communities lack sufficient wastewater infrastructure, hindering revitalization and growth.** By prioritizing water and wastewater investments, Vermont can unlock new development opportunities while safeguarding public health.

- Engage communities early in planning processes to highlight the economic, environmental, and social benefits of water and wastewater infrastructure.
- Adopt a collaborative regional approach to investments in new community-scale systems to combine resources across multiple municipalities, increasing competitiveness for grants and capitalizing on economies of scale.
- Continue statewide efforts to map water and wastewater infrastructure⁶⁰ and capacity so that data can be incorporated into long-term planning and used to highlight areas of greatest opportunity and feasibility for development.

About 50% of Vermonters rely on municipal wastewater treatment facilities, while the rest use larger shared soil-based systems or individual septic systems in areas where connections to municipal systems are not feasible. **More than 200 Vermont municipalities lack community wastewater systems**, which hinders revitalization and restricts economic growth.

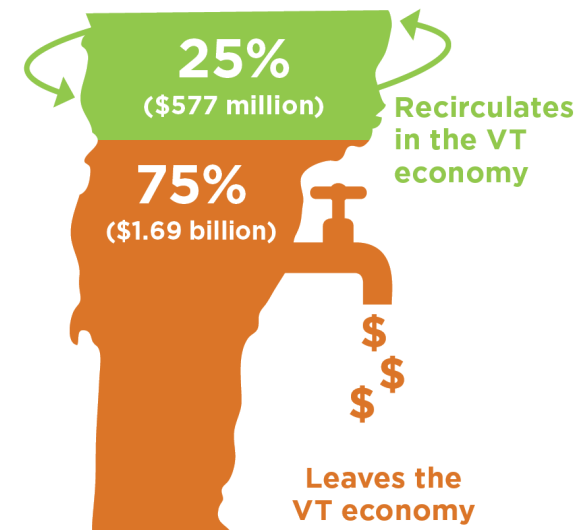
Energy

Stable local energy generation contrasts with the volatility of global energy markets. Enhancements in Vermont's energy infrastructure will not only contribute to the state's climate goals, but it can also support economic growth by improving reliability and driving down costs to power homes and businesses alike.

ADVANCE CLEAN ENERGY TRANSITION POLICIES FOCUSED ON IMPROVING AFFORDABILITY

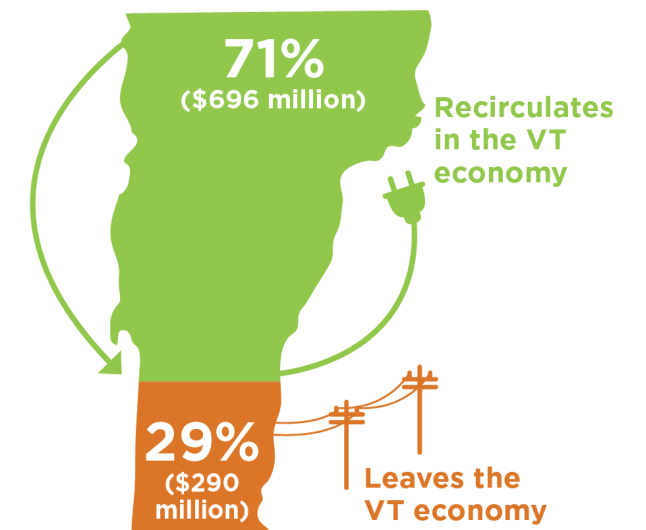
- Upgrade energy transmission infrastructure to meet growing demand and improve resilience against weather disruptions.
- Expand in-unit battery storage and microgrids to improve overall grid resilience.
- Reduce regulatory barriers for utility-scale energy projects.
- Expand renewable energy technologies to decrease reliance on external energy sources to improve affordability and price stability.

Vermont fossil fuel spending, 2023



Sources: Fossil fuel spending: Vermont Department of Taxes, 2024; VGS, 2024. Dollar recirculation share: Ken Jones, Senior Fellow for Economic Analysis, 2024. Note: This graph includes spending on thermal and transportation fuels only.

Vermont electricity spending, 2023



Sources: Electricity spending: Vermont electric utilities. Dollar recirculation share: Ken Jones, Senior Fellow for Economic Analysis, 2024.



Digital Connectivity

Access to high-speed internet and mobile connectivity is essential for economic opportunity and quality of life. It enables remote work, telehealth, social connection, access to services, and entrepreneurship. Lack of connectivity limits opportunities for many communities, hindering economic growth and discouraging investment in smaller towns with capacity for growth.

- Continue to expand high-speed internet and mobile telecom infrastructure in underserved areas to attract residents and businesses.

- Encourage architects, civil engineers, and contractors to incorporate fiber infrastructure into building designs early in the development process to streamline future connectivity upgrades and ensure buildings are ready for high-speed internet.
- Create informational resources for developers, property owners, and real estate professionals to understand broadband availability for future projects, co-investment opportunities for expansion, or to incorporate relocation marketing materials.

Improvement in Broadband Availability from 2022 to 2024

Each tier shows the percentage of E911 address locations served at that speed or better. Recent efforts to expand high-speed broadband internet are yielding results to improve connectivity and unlock economic opportunity for more people.

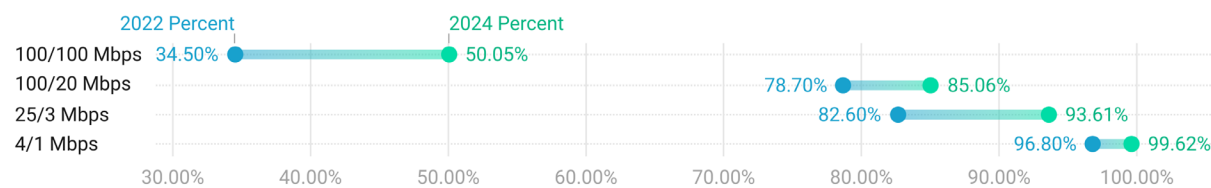


Chart: Vermont Futures Project • Source: Vermont Department of Public Service • Created with Datawrapper



Spotlight:

Communications Union Districts (CUDs)⁶¹ are grassroots, municipally-led organizations established to expand high-speed broadband in rural and underserved areas of Vermont. Comprising multiple towns, CUDs develop, build, and manage broadband infrastructure in areas where commercial providers are not investing. Their goal is to provide universal access to reliable internet, supporting remote work, telehealth, education, and local businesses. Funded by a combination of public and private investment, CUDs play a crucial role in enhancing Vermont's digital infrastructure, making rural areas more competitive and fostering economic growth and population retention.

“Reliable and fast internet is no longer an amenity but a requirement for the modern economy. My wife and I would never have been able to move here without ECFiber. I’ve been able to work some ‘side hustles’ for extra income. I teach at night as an adjunct professor remotely, and I do some occasional contract work building out solutions for businesses. That all wouldn’t be possible if I didn’t have high-speed internet. Reliable fast internet, technology skills, and making housing a reality for young people are all you need to begin to see tech centers appear here. I’d really like to see the young people graduating high school here end up staying here and starting some technology startups. ECFiber has begun to make that possible.”

- Eliot Szwajkowski, ECFiber Customer, Barnard Resident, Software Engineer

Smart Growth

Well-designed growth contributes to climate solutions. Smart growth principles provide a sustainable framework to expanding Vermont's housing and infrastructure while optimizing climate adaptation and economic growth. It emphasizes strategic land use, targeted resource allocation, and infrastructure development that supports population growth while minimizing harm to Vermont's natural resources. Climate resilient infrastructure lowers long-term repair costs, reducing the financial impact of deferred maintenance.

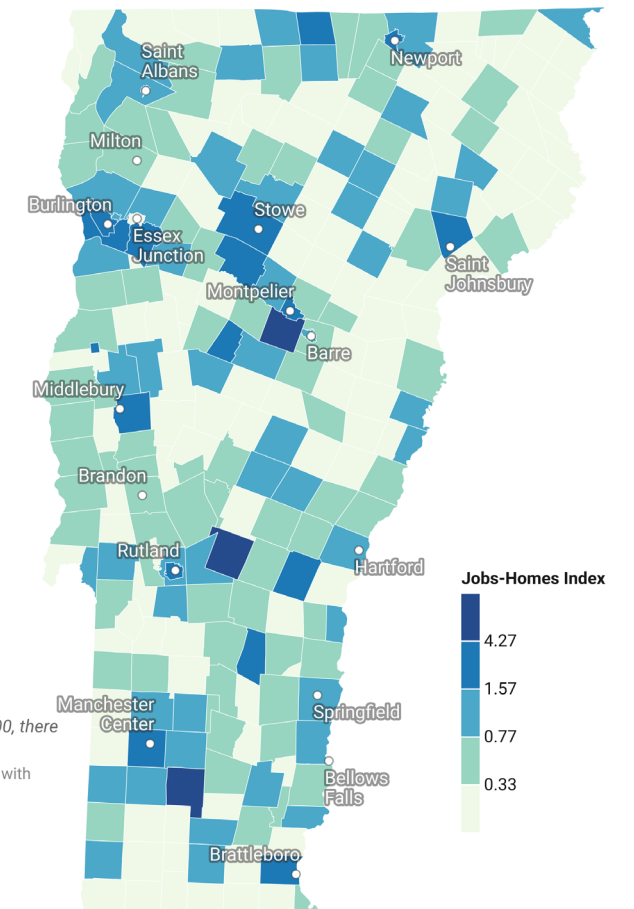
- Support higher-density housing developments in areas with existing job opportunities and infrastructure capacity to reduce sprawl and improve accessibility.
- Reduce vehicle miles traveled by enabling multi-modal transportation options with greater density, and improving connectivity between housing developments and employment centers.
- Catalyze economic development by allocating resources to communities where there is a low ratio of jobs-to-homes with underutilized infrastructure to foster local business and job growth.

A ratio of 1.00 means the number of homes and jobs are even in a location. Above 1.00, there are more jobs than homes. Below 1.00, there are more homes than jobs.

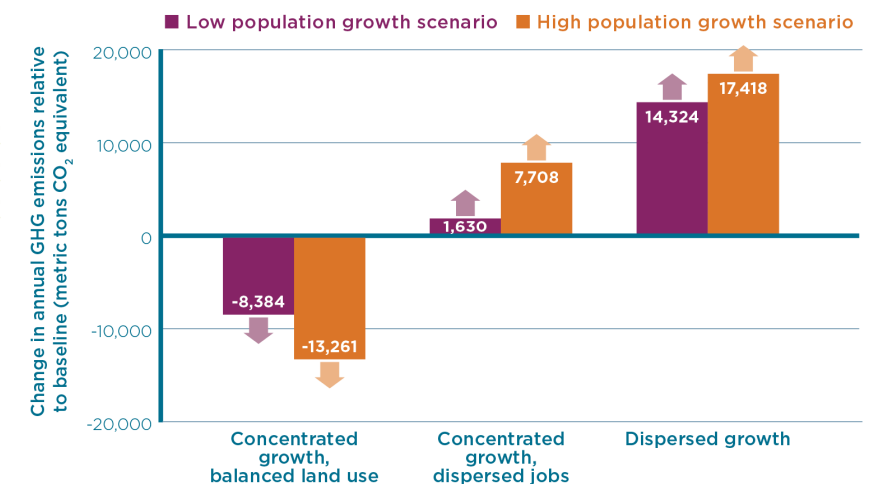
Map: Vermont Futures Project • Source: Vermont Housing Finance Agency (2022) • Created with Datawrapper

Distribution of Jobs and Homes around Vermont

In some areas of the state, there are far more jobs than occupied homes meaning many workers live farther away and have to commute to access employment opportunities unless new homes are constructed. Other regions have more occupied homes than jobs and could benefit from economic development and business growth to bring opportunities closer to home.



Estimated annual GHG emissions impacts of different development scenarios in Vermont by 2050



Source: RSG and VHB, prepared for the Vermont Agency of Transportation, "Vermont Smart Growth, VMT, and GHG Research Project Report," 2024.
 Notes: The low growth scenario assumes a 3% population increase by 2050, and the high growth scenario assumes a 13% increase. In the "Concentrated growth, balanced land use" scenario, future development is modeled on places in VT that exemplify smart growth practices today. In the "Concentrated growth, dispersed jobs" scenario, future residential development is concentrated in already dense areas while job growth is allocated to lower density areas. In the "Dispersed growth" scenario, low-density development occurs across all developable land in VT, regardless of existing infrastructure and community designations.



EFFICIENCY GOAL:

Achieve a 40% reduction in development timelines and regulatory costs by 2035.

Efficiency Strategies Overview: Reconfigure Processes and Utilize Untapped Potential of Existing Assets

These strategies aim to maximize existing resources, streamline regulatory and permitting processes, and leverage underutilized assets to create sustainable, cost-effective growth. Vermont's diverse rural communities, small towns, and village centers provide both challenges and opportunities for optimizing housing and infrastructure development. Improving efficiency is crucial for minimizing costs while meeting long-term housing and infrastructure needs.

Vermont must focus on removing unnecessary barriers, aligning state and local priorities, and encouraging adaptive reuse and smarter planning. Streamlining processes will reduce delays, lower development costs, and make Vermont more attractive for investment. By tapping into latent capacity, such as depopulated areas or underutilized assets, Vermont can create new opportunities for growth in areas with existing infrastructure but lower population density. These strategies aim to build a more resilient, sustainable, and prosperous Vermont by optimizing policies and resource allocation.



Efficiency Strategy #1: Streamlining Regulation, Permitting, and Appeals Processes

Streamlining Vermont's regulatory and permitting processes is essential to scaling up housing production, reducing costs, and increasing affordability. Overly complex regulations, outdated zoning laws, and slow appeals processes create delays and raise costs, hindering progress on essential housing and infrastructure projects. By simplifying and harmonizing these processes, Vermont can foster a more predictable and efficient development environment that encourages investment, especially in areas with existing infrastructure and identified needs.

Update Zoning and Building Standards

- Motivate municipalities to update local zoning, bylaws, and comprehensive plans. Ensure that local regulations align with state housing goals and support higher-density and mixed-use developments in areas with existing infrastructure capacity.
 - *An example is the adoption of form-based code to replace traditional zoning.*
 - **Municipal Planning Grants**⁶² are available to support these efforts.
 - **Zoning for Great Neighborhoods**⁶³ is a guide for municipalities pursuing change.
- Review and update state and local building standards to maintain regional competitiveness and ensure economic feasibility.

Simplify and Accelerate Permitting

- Develop a statewide fast-track digital permitting system that streamlines applications and provides real-time tracking and transparency in the approval process.
- **Implement "shot clock" requirements** with approvals upon expiration to ensure timely, predictable review of permitting applications at the state and local level.
- Adopt pre-approved designs such as those in the Homes For All Toolkit⁶⁴, allowing developers to bypass lengthy reviews and accelerate construction timelines.

Policies and Processes in Practice:

"93 days. That's how long it took to get our state construction permit for this 6-unit renovation project.

Not zoning, not entitlements, not design work—just the state saying, "Yes, you can build." The kicker? We were held up an extra week because I didn't include a CD-ROM or flash drive with the plans I mailed. Yes, you read that right—a CD-ROM. In 2024. Meanwhile, online submissions aren't an option.

Here's the reality: Most Vermont towns are too small to have their own building inspectors, so they rely on state fire marshals for construction permits and inspections. From what I've seen, our region has two plan reviewers and four field marshals serving 90+ towns. That's a heavy lift.

The field and plan review staff? Incredible. They're responsive, supportive, and work hard to accommodate site visits on short notice. But the plan review process? That's where the bottleneck is. Two people reviewing permits for 90 towns? It's not just inefficient—it's a roadblock for a state that's trying to promote housing.

Don't get me wrong, I like the overall model—sharing the cost of inspectors across multiple towns makes sense. But understaffing and outdated submission processes make what should be a straightforward step in the development process unnecessarily frustrating.

Imagine what we could accomplish with modern, online systems and a few more reviewers on deck."

- Jonah Richard, small-scale real estate development and construction expert.

Reform Appeals Process

- Establish clear, fair appeal standards with defined timelines. Ensure appeals are resolved promptly to prevent prolonged uncertainty and unnecessary costly delays.⁶⁵

- Discourage frivolous appeals by introducing accountability measures, such as raising appeal fees or requiring appellants to share the financial burden of delays if their appeals are not upheld.

Costs of Regulation on New Construction Home Prices

A study by the National Association of Home Builders (NAHB) estimates the average cost impact of regulation during various phases of development and construction. The Vermont Housing Finance Agency (VHFA) reported that the median price for newly built homes in the state was \$616,500 in 2023, of which \$171,387 would be attributable to regulations by NAHB estimates.

Category	Regulation as a % of Final Home Price	Cost of Regulation for Median Price Home
Cost of applying for zoning approval	1.7%	\$10,481
Hard costs of compliance (fees, required studies, etc.)	3.0%	\$18,495
Land dedicated to the govt. or otherwise left unbuilt	2.9%	\$17,879
Standards (setbacks, etc.) that go beyond the ordinary	2.6%	\$16,029
Complying with OSHA/other labor requirements	0.5%	\$3,083
Pure cost of delay (if regulation imposed no other cost)	0.4%	\$2,466
All Regulation During Development	11.1%	\$68,432
Fees paid by the builder after purchasing the lot	3.4%	\$20,961
Changes to building codes over the past 10 years	6.7%	\$41,306
Architectural design standards beyond the ordinary	4.8%	\$29,592
Complying with OSHA/other labor requirements	1.5%	\$9,248
Pure cost of delay (if regulation imposed no other cost)	0.3%	\$1,850
All Regulation During Construction	16.7%	\$102,956
TOTAL COST OF REGULATION	27.8%	\$171,387

The NAHB study aggregates data from survey responses by developers and builders from around the country. Therefore, the exact cost impact of regulation in Vermont will differ from the calculated estimates in this table. The NAHB study does not claim that regulation is harmful or should be removed, nor does it seek to identify excessive regulation. Instead, it aims to provide a numerical estimate of the current level and cost of regulation in housing, which can inform the development or revision of policies.

Table: Vermont Futures Project • Source: National Association of Home Builders • Created with Datawrapper

Did You Know?

Complex regulations and permitting processes are not only hindering housing development but also delaying other important projects, including renewable energy initiatives. Renewable Energy Vermont's report, **No Good Reason: Vermont's Regulatory Roadblocks to Renewable Energy and Our Fight Against Climate Change**, highlights the challenges of building renewable energy facilities in the state. The report presents 10 recent case studies, identifying three key barriers: delays in the review process, inconsistent application of rules, and subjective evaluation criteria.⁶⁶

Efficiency Strategy #2: Tap Into Latent Capacity

Many Vermont's communities have untapped potential for revitalization and sustainable growth through latent capacity. Infill development focuses on repurposing vacant or underutilized properties—such as under-enrolled schools, vacant commercial spaces, and oversized homes with low occupancy—within existing communities to meet evolving housing and demographic needs. This approach increases housing supply without expanding into undeveloped areas, preserves open spaces, and leverages existing infrastructure, making it a cost-effective and sustainable solution. Additionally, many older homeowners occupy homes that no longer suit their lifestyles, yet limited downsizing options keep these properties underutilized. Creating accessible senior living or mixed-use developments can **promote housing market mobility**, allowing young, growing families to move in to efficiently reallocate existing housing stock.

Revitalization of Depopulated Areas

- Identify and prioritize areas with declining populations and existing infrastructure capacity for housing and economic development projects. This includes an assessment of schools and districts with latent capacity due to declining enrollments.
- Develop programs that offer financial incentives or supportive services to encourage older homeowners to downsize, freeing up larger homes for younger families.
- Offer targeted financial incentives and support services for families and individuals willing to relocate to depopulated communities as part of a statewide relocation marketing campaign.



Spotlight:

HomeShare Vermont addresses housing affordability while supporting seniors who wish to remain in their homes. The program matches older homeowners with renters who provide companionship and/or assistance with household tasks in exchange for affordable rent. In FY 2024, participants saved over \$1.35 million, with 46% of senior hosts reporting they couldn't remain in their homes without a homesharer. The average monthly rent for a match was \$359, with 25% of guests paying no rent.⁶⁷ By redistributing underutilized housing, HomeShare Vermont helps meet housing needs and supports Vermont's aging population. The program not only provides affordable housing but also fosters intergenerational relationships, strengthening community ties. This model effectively addresses critical housing and social challenges while maximizing existing resources.

Additional Resources Available to Communities:

The Vermont Community Development Program (VCDP)⁷⁰ administers HUD's Community Development Block Grant (CDBG) funding to support Vermont communities. This competitive funding provides financial and technical assistance for housing, economic development, public facilities, public services, and accessibility improvements.

The Brownfields Revitalization Fund⁷¹ promotes the productive reuse of sites that are currently underutilized due to contamination on the site. By providing financial assistance for cleaning up these sites, Vermont continues its commitment to environmental stewardship, community investment, and economic growth.

Adaptive Reuse and Infill Development

“VHIP has been instrumental for Hale Resources, allowing us to tackle Vermont’s aging housing stock with innovative solutions. We’re not just renovating properties- we’re rejuvenating communities.” - Zak Hale, Property Owner

- Scale up the Vermont Housing Improvement Program (VHIP)⁶⁸ to incentivize property owners to renovate vacant or deteriorating homes to bring affordable units back to the market.
- As of September 2024, 445 housing units had been completed with VHIP, 356 are underway, and another 300+ units are in the VHIP 2.0 pipeline. The average grant per unit is \$44,000.⁶⁹
- Promote the adaptive reuse of existing structures, particularly in areas with vacant buildings or declining industrial spaces, to create new housing and business options.
- Utilize the state’s Homes for All toolkit to guide municipalities in identifying and prioritizing infill development opportunities.

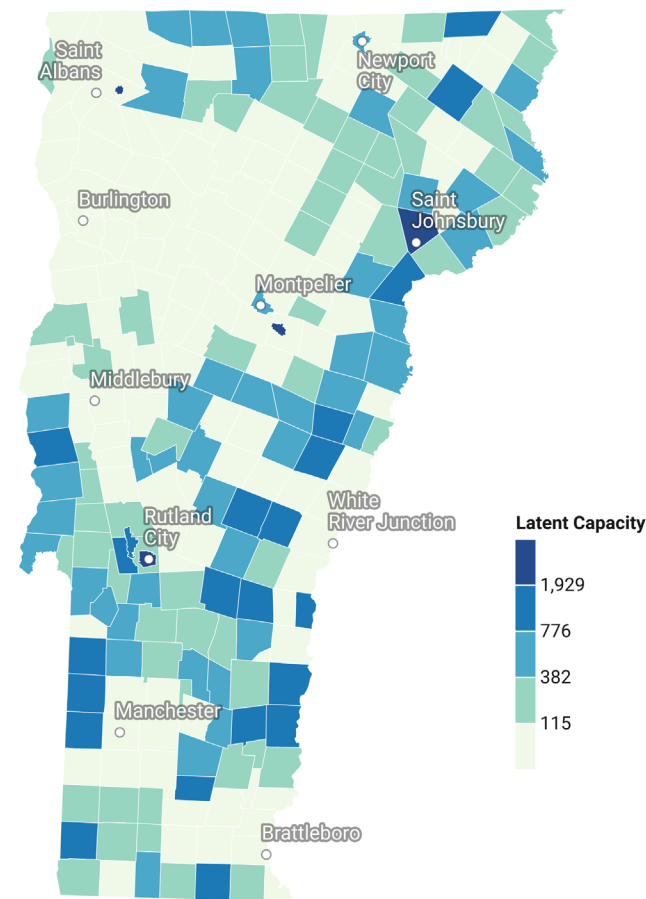
Community Visioning

In scenarios where revitalization does not yield sufficient growth in school-age populations, or where school consolidation has already proceeded, existing infrastructure can be adapted to meet emerging community needs.

- **ADAPTING TO DEMOGRAPHICS:** Convert under-enrolled school facilities into community centers or senior living options, and explore co-location opportunities with housing or essential services to maximize the use of existing infrastructure. Utilize spaces to offer recreational areas, healthcare services, and community activities tailored for seniors.
- **ENGAGE LOCAL STAKEHOLDERS:** Involve local residents and school districts in planning processes to ensure that repurposing efforts align with community aspirations.

Vermont's Capacity for Growth

Many towns around Vermont have depopulated meaning the current population is lower than the historical peak. Most of the recent growth has clustered in and around Chittenden County. Rural revitalization can be part of Vermont’s population growth strategy. In total, Vermont’s estimated latent capacity is over 70,000.



Estimated Latent Capacity = Historical Population Peak - Current Population using Census data from 1791 to 2020. A value of 0 does not mean there is no capacity to grow - it highlights where growth is occurring.

Map: Vermont Futures Project • Source: Vermont Center for Geographic Information • Created with Datawrapper

WHY VERMONT NEEDS THIS PLAN

Vermont has an abundance of well-researched state-level plans addressing topics such as agriculture, climate, early childhood, aging, transportation, recreation, broadband, science & technology, the creative network, and more. The aspirational goals in all these other plans aim to enhance the quality of life for Vermonters by addressing many of the same needs identified by the Vermont Futures Project during public engagement.

Implementing all the existing state plans is not possible with Vermont’s current supply of people and resources. There are not enough workers or a large enough tax base. **The root causes of many of Vermont’s challenges, including the cost of education and healthcare, is a declining working-age population coupled with decades of insufficient housing production.**

Without an intentional strategy to increase the working-age population, Vermont will become increasingly unaffordable or experiencing significant reductions in the quantity and quality of essential programs and services—outcomes that do not align with the desires of most Vermonters.

This economic action plan, which focuses on increasing the working-age population and expanding housing, is essential for Vermont. By addressing these fundamental deficits, Vermont can create the conditions for growth that promote long-term community vitality, improve affordability, and enhance quality of life in Vermont.

It is no longer sufficient to simply say, “We have a workforce shortage!” or “We’re in a housing crisis!” and hope these statements will spur necessary actions. Vermont needs a bold vision with specific goals regarding how many people and homes are needed, guiding action at the appropriate scale based on available data, and a roadmap for how to move forward. That is what this economic action plan provides.

CALL TO ACTION

As President Calvin Coolidge stated in 1928 after touring Vermont to assess the damage from the Great Flood of 1927, *“If the spirit of liberty should vanish in other parts of the Union, and support of our institutions should languish, it could all be replenished from the generous store held by the people of this brave little state of Vermont.”*⁷² He went on to praise Vermonters for their selflessness, calling them *“a race of pioneers who have almost beggared themselves to serve others.”* Vermont has demonstrated this spirit of service and resilience in response to past crises, including the devastating flood of 1927, the pandemic, and flood recovery efforts in recent years.

Now, Vermont faces a different set of challenges—workforce shortages and a critical housing gap—that demands the same resilience and spirit of service. The Vermont Economic Action Plan calls for the active participation of residents, businesses, policymakers, employers, visitors, and educational institutions alike. The enduring narrative that young people must leave Vermont to find success only amplifies the need for bold action to address these workforce and housing crises. By uniting to tackle these challenges, Vermonters can create a thriving, resilient economy and ensure that the state remains a place of opportunity, prosperity, and sustainable growth for future generations.

How can you help?

As a Resident...

- **SUPPORT LOCAL GROWTH:** Shop with local businesses and services, and advocate for policies that help businesses thrive and housing development expand. By supporting the economic ecosystem around you—whether through patronage or public engagement—you contribute to the vitality and growth of your community. Encourage your family, friends, neighbors, and elected officials to do the same.
- **FOSTER INCLUSIVITY:** Help welcome new residents and celebrate the diverse talents they bring to Vermont. Support local initiatives that encourage cultural exchange, community-building, and a sense of belonging. By strengthening the social fabric in your community, you can create a more resilient and thriving state.
- **SHIFT THE NARRATIVE ABOUT VERMONT:** Share your positive experiences of living in Vermont and encourage others to consider the state as their home. Participate in and amplify Vermont's relocation marketing campaign by telling your story through social media, community events, or word-of-mouth. Highlight the quality of life, work opportunities, and natural beauty that make Vermont unique. Your personal story can inspire new residents and help grow the state's population, ensuring a prosperous future for all.

As a Visitor...

- **PROMOTE VERMONT'S STRENGTHS AS A DESTINATION:** Share your experiences with friends and family, spreading the word about Vermont's unique offerings, whether it's our outdoor activities, thriving local businesses, or cultural events. Your promotion of Vermont helps build its reputation as a great place to live, work, and visit.
- **SUPPORT VERMONT'S ECONOMY FROM AFAR:** Even if you're not planning to relocate, you can still support Vermont's businesses and local organizations by purchasing Vermont products, donating to causes you care about, or investing in Vermont's growth. Your engagement helps strengthen the state's economy and foster long-term prosperity.
- **EXPLORE OPPORTUNITIES TO LIVE AND WORK IN VERMONT:** Consider making Vermont your home by taking advantage of relocation incentives and joining a community that values sustainability, innovation, and growth. Vermont's future is shaped by people who see it as an opportunity for personal and professional fulfillment.

If you were to advise an 18 year-old considering where to build a successful life and career, would you recommend that he or she stay in Vermont or leave Vermont?

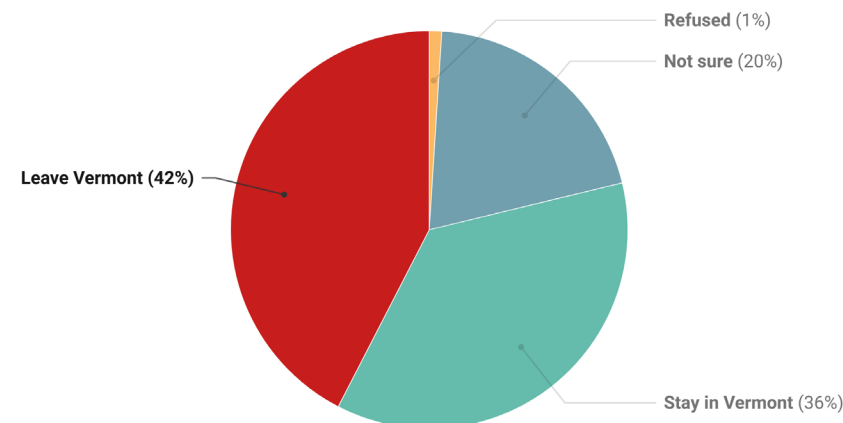


Chart: Vermont Futures Project • Source: VPR / VT PBS Poll – January 2022 • Created with Datawrapper

As an Employer...

- **INVEST IN WORKFORCE DEVELOPMENT AND CREATE INCLUSIVE WORK ENVIRONMENTS:** Partner with local educational institutions to provide internships, apprenticeships, and on-the-job training for workers of all ages and backgrounds. Foster an inclusive workplace by actively recruiting from a range of talent pools—including veterans, people with disabilities, and individuals from diverse backgrounds. By offering flexible work arrangements and growth opportunities, you can retain top talent and help strengthen Vermont's workforce for the future.
- **CHAMPION WORKFORCE AND HOUSING POLICIES:** Share your experiences and perspectives with policymakers to ensure that the business community's voice is heard in the development of policies that impact growth and sustainability. Advocate for policies that address workforce needs, streamline regulatory processes, and expand housing opportunities, recognizing that a thriving economy depends on the availability of skilled workers and affordable living options.
- **ENGAGE IN LOCAL AND STATEWIDE ECONOMIC DEVELOPMENT EFFORTS:** Get involved in initiatives that promote Vermont as a great place to live and work. Support and participate in regional economic development programs, workforce training opportunities, and housing efforts. By working collaboratively with local leaders and organizations, you can help shape the future of Vermont's economy and make a lasting impact on the state's growth and prosperity.

As an Educational Partner...

- **ALIGN CURRICULUM WITH WORKFORCE NEEDS AND PROMOTE LIFELONG LEARNING:** Ensure educational programs are closely aligned with current and future job market demands. Collaborate with local businesses and industries to offer training, internships, and apprenticeships that lead directly to employment opportunities. Additionally, promote adult education, professional development, and retraining programs to keep Vermont's workforce adaptable and competitive in a rapidly changing economy.
- **CHAMPION GROWTH TO IMPROVE AFFORDABILITY:** Lead efforts to increase enrollment and work with local communities, policymakers, and organizations to support growth.

Advocate for initiatives that demonstrate how growth, particularly in housing, can enhance affordability by broadening the tax base and reducing per capita education costs.

- **LEVERAGE ALUMNI NETWORKS TO HELP RECRUIT PEOPLE BACK TO VERMONT:** Engage alumni networks to share Vermont's unique offerings and the benefits of living, working, and raising a family here. These networks are a powerful asset in outreach, helping to attract individuals with existing connections and affinity for Vermont. By amplifying the message of Vermont as a place of opportunity, educational institutions can play a vital role in supporting the state's population growth.

As a Policymaker...

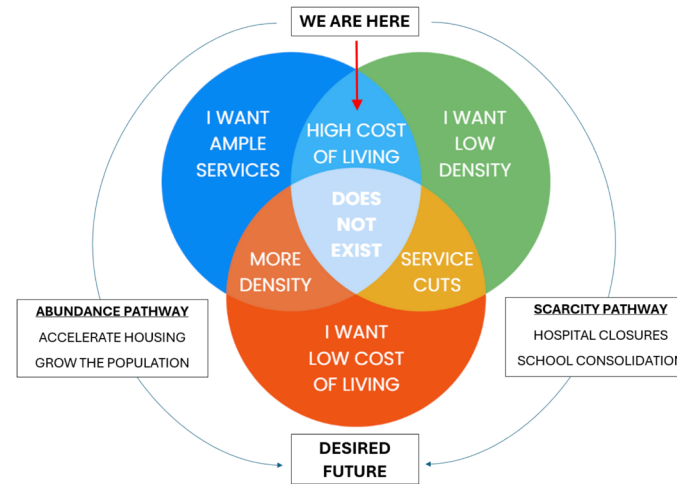
- **IMPLEMENT BOLD, LONG-TERM POLICIES FOR WORKFORCE AND HOUSING GROWTH:** Focus on policies that address the root causes of Vermont's economic challenges, rather than just the symptoms. Lead efforts to create lasting solutions that encourage population growth, attract and retain working-age people, and expand the housing stock. Your leadership can help transform Vermont into a thriving, sustainable state for future generations.
- **SUPPORT POLICIES THAT FOSTER A STRONG AND COLLABORATIVE BUSINESS CLIMATE:** Work to create a balanced environment where businesses of all sizes are recognized as key partners in driving Vermont's economic vitality. By cultivating a positive, growth-oriented partnership between the public and private sectors, Vermont can broaden the tax base and encourage shared prosperity. Strengthening the business climate in this way will support both businesses and communities, ensuring that Vermont remains an attractive place to live, work, and grow.
- **LEVERAGE DATA TO SET AND TRACK LONG-TERM TARGETS:** Embrace a data-informed approach to policymaking that sets clear, measurable targets for Vermont's future growth. By consistently using data to quantify the scale of action needed, policymakers can ensure that incremental progress is being made toward ambitious goals. This will help prioritize resources effectively and keep the state on track to meet its long-term goals. **Start by using this plan.**

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VERMONT'S FUTURE DEPENDS ON PEOPLE AND PLACES

This Economic Action Plan addresses the root causes of Vermont's most pressing issues: demographics and housing scarcity. Vermonters want this state to be more affordable so that it can be a place of opportunity now and into the future. This plan not only calls for the strategic growth of the working-age population and housing stock, but it sets clear, data-informed targets and provides recommendations for how to achieve them through consistent incremental progress.



Vermont Age Distribution from 2000

At the turn of the century, Vermont had a high proportion of prime working-age adults relative to the number of children and elderly. There were significantly more children compared to today.

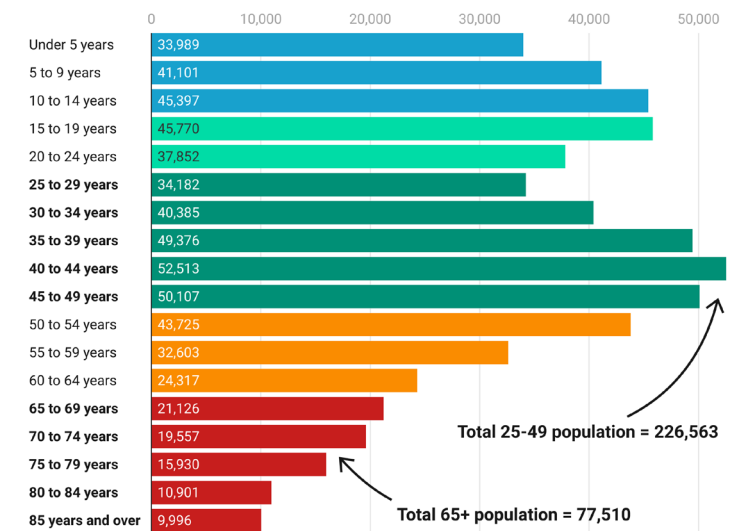


Chart: Vermont Futures Project • Source: US Census Bureau • Created with Datawrapper

Vermont Age Distribution from 2023

Today, Vermont's prime working-age population is much smaller relative to the number of children and elderly. The fertility rate is too low to grow the future workforce and tax base.

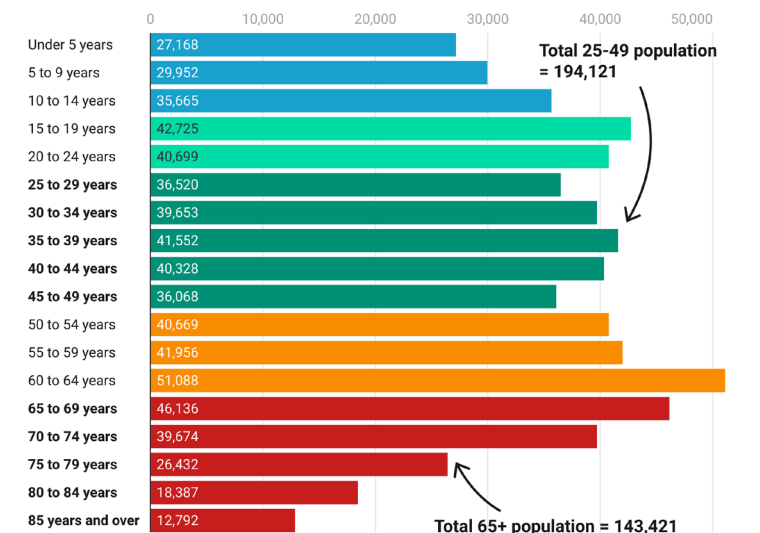


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EFFICIENCY STRATEGIES highlight opportunities to be more effective with the people and places already in Vermont by addressing policy, process, or cultural barriers. **Increase labor force participation to 70% and decrease development costs and timelines by 40% by 2035.**

EXPANSION STRATEGIES focus on growing the pool of people and places to secure a thriving future for the state. **Grow the population to 802,000 people and grow the number of non-seasonal homes to 350,000 by 2035.**

Every person, every organization, and every community has a role to play in shaping the future of Vermont. Achieving the long-term expansion targets only requires **2% annual growth** of people and places. If each Vermonter commits to small and consistent actions to support 2% growth in their community each year, the collective actions will lead to transformative change.

The Vermont Futures Project is a 501(c)(3) non-profit organization driven by this mission question: How can we use data to support the evolution of Vermont's economy towards a thriving future full of opportunity for all?

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This work would not have been possible without the generous support from donors who believe in the mission of the Vermont Futures Project. Partners below are people and organizations that have contributed since the start of 2022. To learn about how you can become a supporter, or for a full list of donors including past contributors, please visit the Vermont Futures Project website at vtfuturesproject.org.

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