

# Affordability and equity in Vermont

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# Economic Security

*for all Vermonters*



**TO LAST A LIFETIME**



## **CASH**

that people can spend flexibly on their needs.

Anti-poverty tax credits • Reach Up • Unemployment insurance



## **PUBLIC GOODS**

that meet people's needs.

Affordable housing • Childcare • Food • Healthcare • Education



## **WEALTH BUILDING**

that creates personal stability and opportunity.

Land access • State-supported savings accounts • Secure retirement options



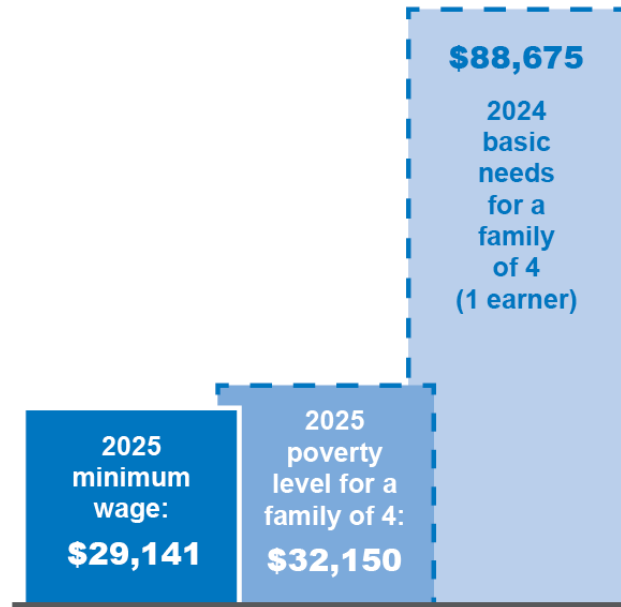
## **EQUITABLE ECONOMY**

for paid and unpaid workers, employers, and the public.

Paid leave • Livable wage • Progressive tax system

**POLICY EXAMPLES**

# Vermont's minimum wage leaves families in poverty, and far from meeting basic needs



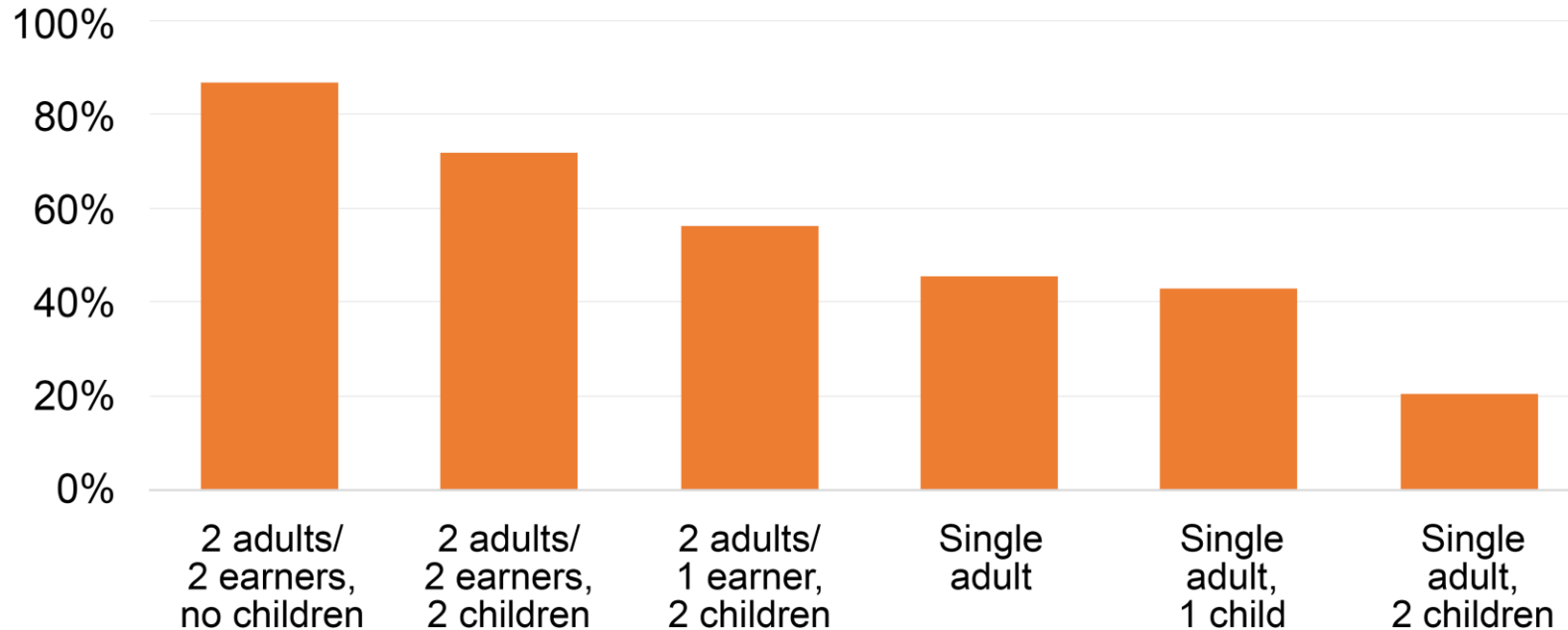
Note: This graphic uses the most recent data available from 2024. Minimum wage reflects the annual wages for one full-time earner.

Data sources: Vermont Department of Labor, Joint Fiscal Office, U.S. Department of Health and Human Services

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## Fewer than half of single-adult households with or without kids could meet basic needs

Share of households with sufficient income to meet basic needs, by family type, 2021-2022



Note: Adults in any of the households with children can be biological parents, foster or stepparents, or grandparents of dependent children. Households with two earners or two adults/one earner are married or unmarried partners.

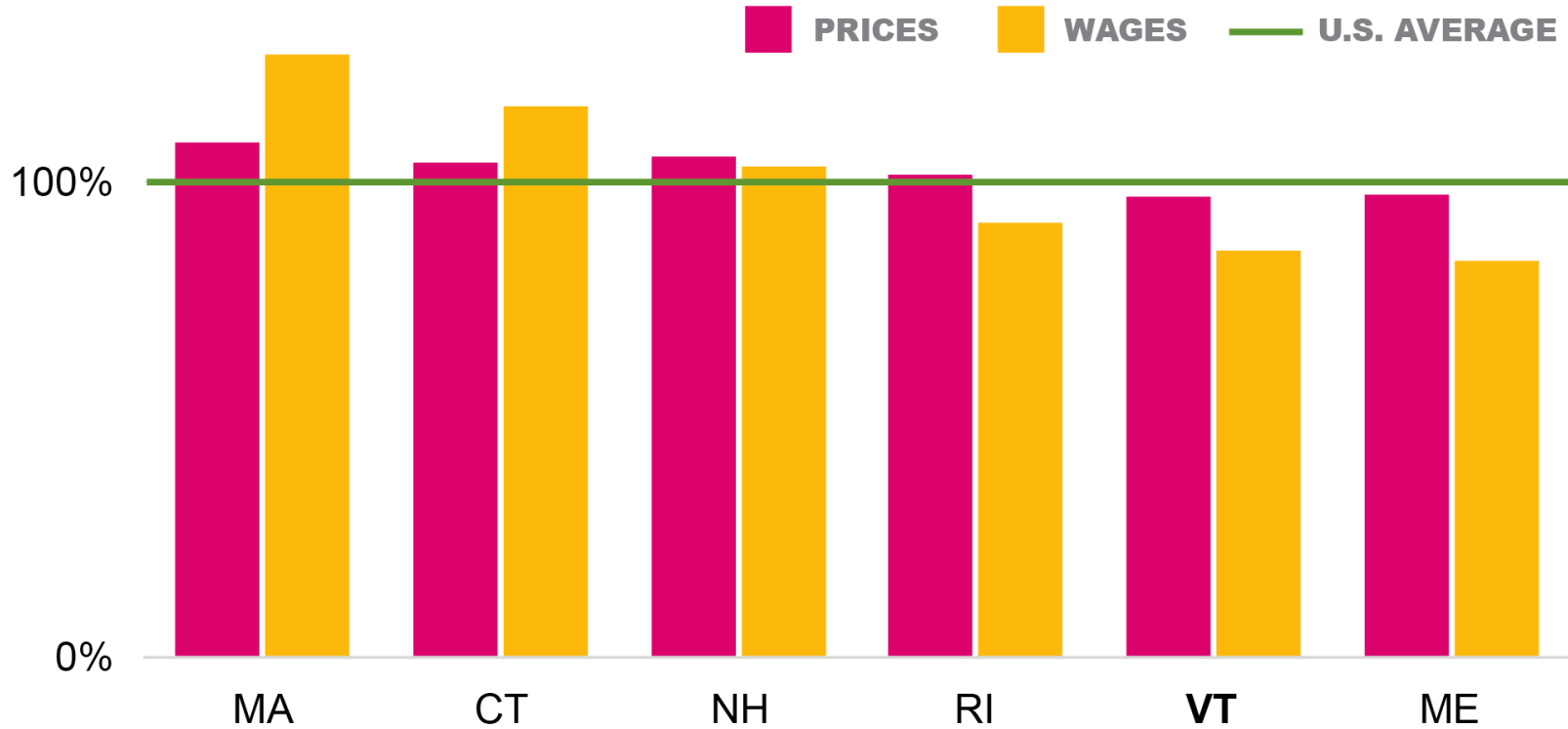
Data sources: Vermont Joint Fiscal Office, IPUMS-USA, University of Minnesota, [www.ipums.org](http://www.ipums.org), 2021-22 1-yr samples

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## Vermont prices are average, wages are low

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

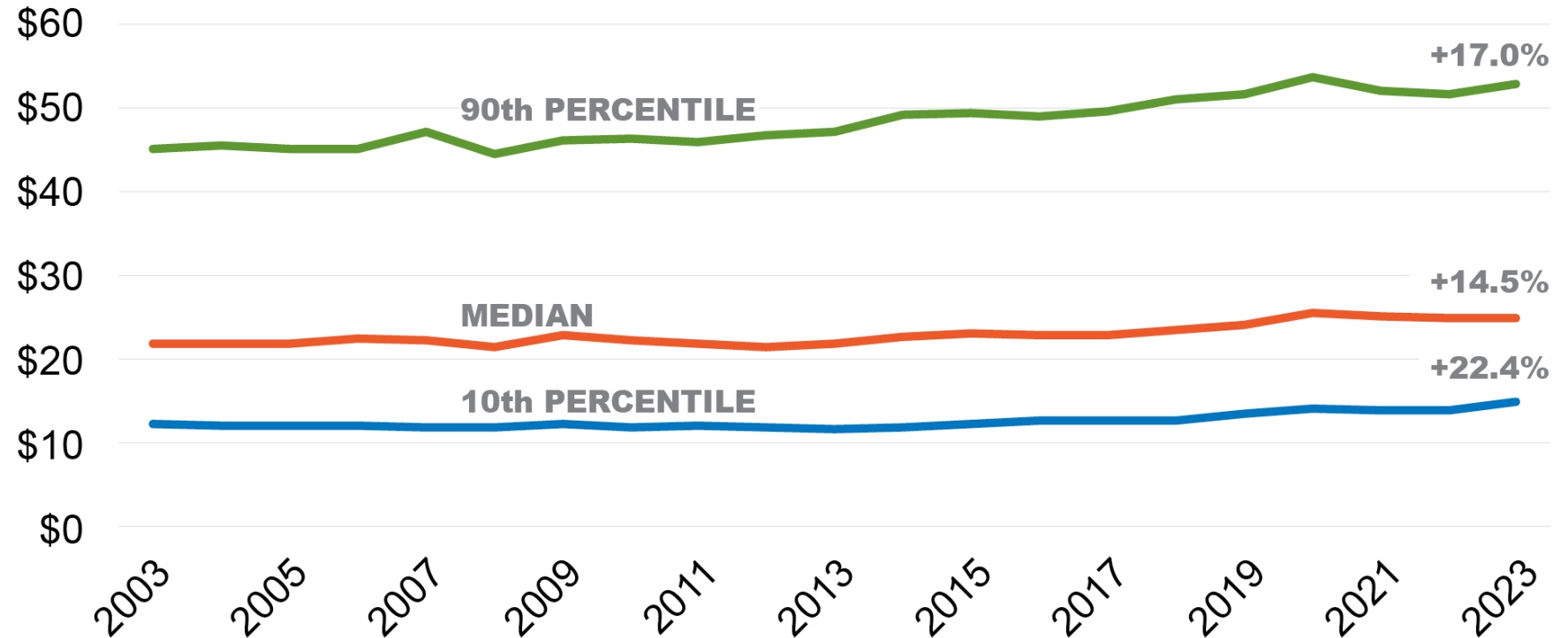


Data sources: U.S. Bureau of Economic Analysis; U.S. Bureau of Labor Statistics  
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## Lowest wages grew fastest in recent years

Real wages by select percentile, Vermont, 2003-2023



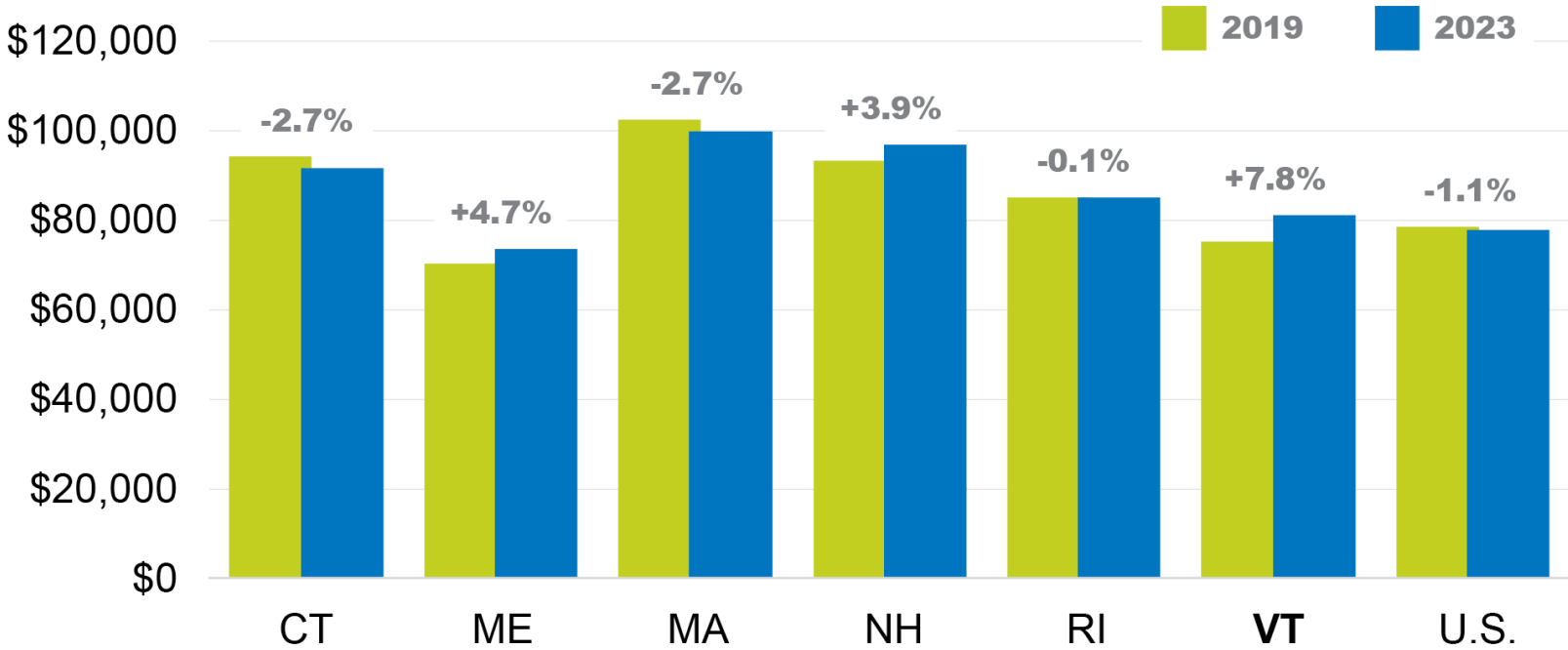
Source: Economic Policy Institute analysis of Current Population Survey microdata from the U.S. Bureau of Labor Statistics

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# Vermont household income grew the most in the nation but was still low for New England

Real median household income, New England states and U.S., 2019-2023

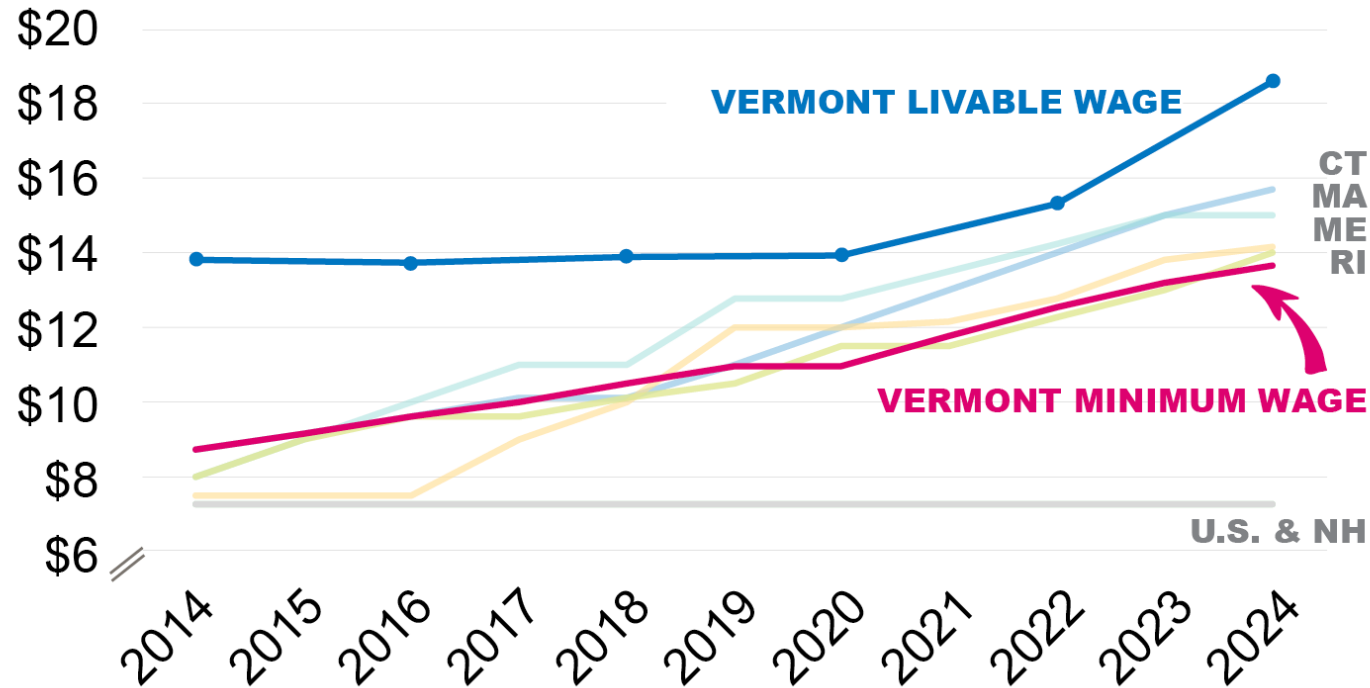


Data sources: Center on Budget and Policy Priorities analyses of American Community Survey 1-yr. estimates, 2019 and 2023; U.S. Census, American Community Survey, 2019 and 2023 1-yr. estimates  
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# Vermont minimum wage fell further behind livable wage

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



Note: The chart uses the Joint Fiscal Office’s 2024 definition of livable wage: the amount a single person in shared housing must earn to meet basic needs.

Data Sources: U.S. Department of Labor and Vermont Joint Fiscal Office  
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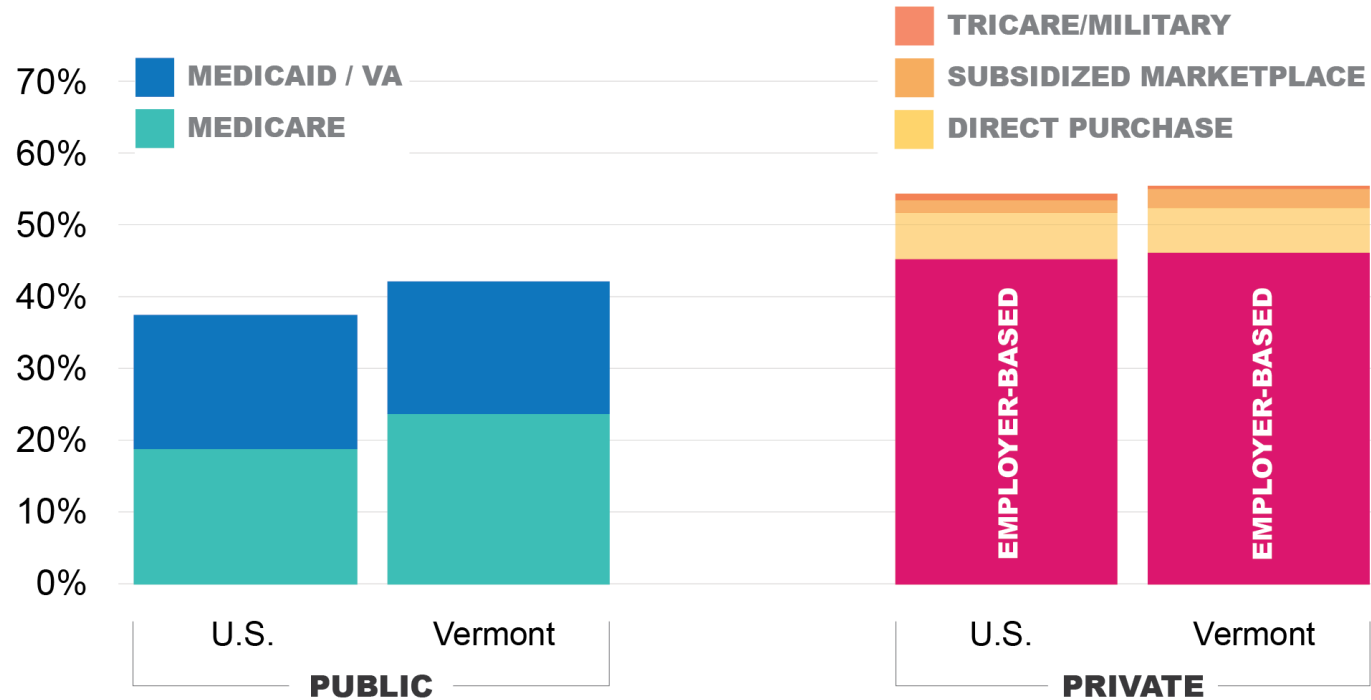






## Similar shares of Vermonters got health insurance through employers and public programs

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



Note: People with public coverage may also have private insurance, but they are not included in the private count. Those with Medicare may also be covered by another public program, but they are counted only under Medicare here.

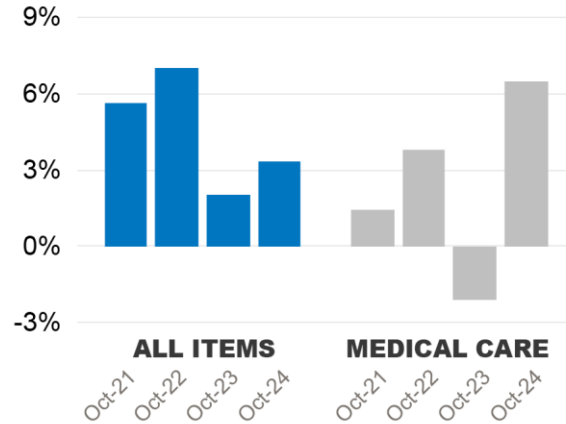
Data source: U.S. Census, American Community Survey, 2023 1-yr. estimates

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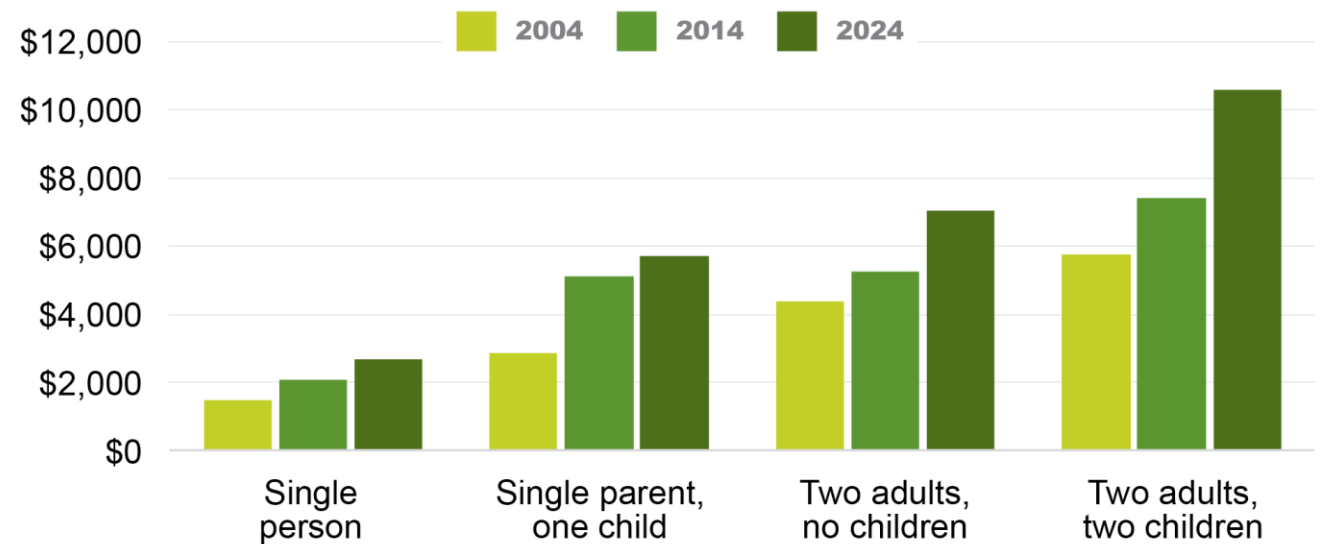
## INFLATION

**Overall inflation has slowed, but medical costs jumped in 2024** 12-month percent change in selected consumer price indexes for New England, Oct 2021-Oct 2024



Data source: U.S. Bureau of Labor Statistics  
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**Out-of-pocket healthcare payments nearly doubled for many Vermonters** Annual out-of-pocket healthcare costs for employer-based healthcare, adjusted for inflation, by family type, 2004, 2014, 2024



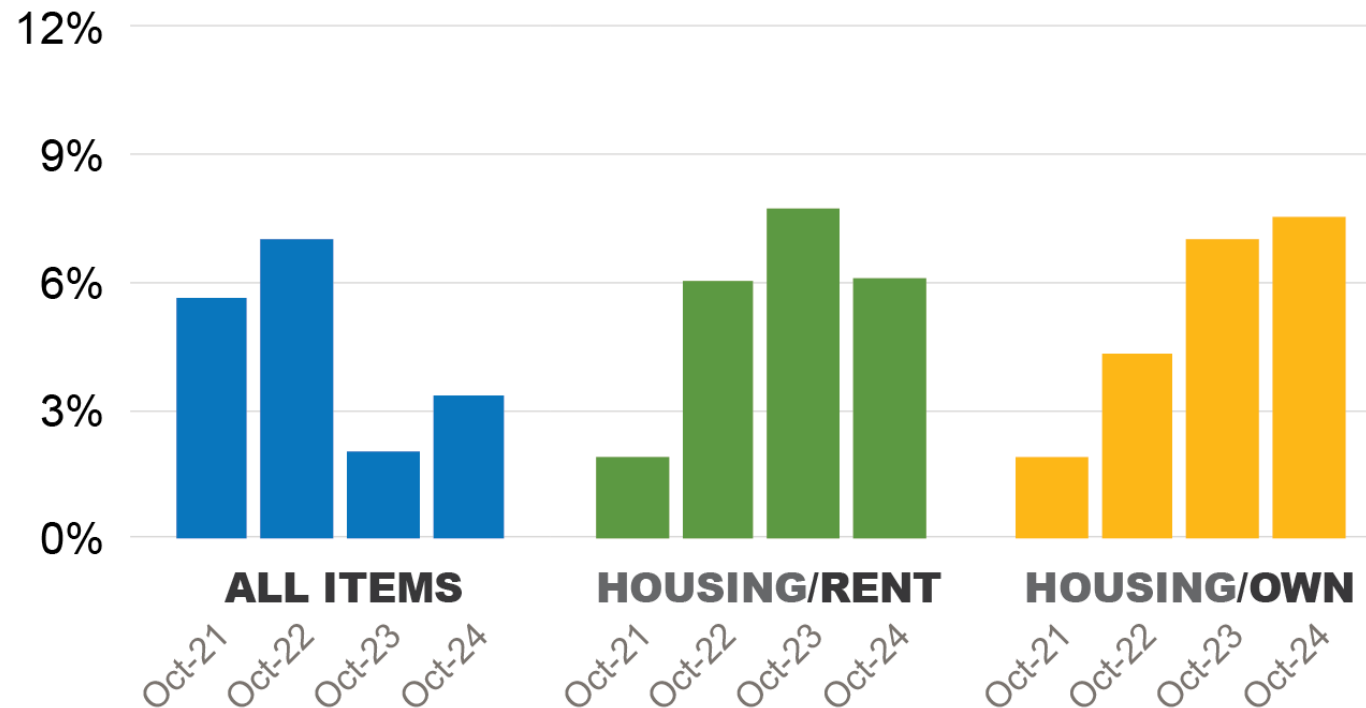
Data source: Vermont Joint Fiscal Office  
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## INFLATION

### Housing costs rose faster than inflation

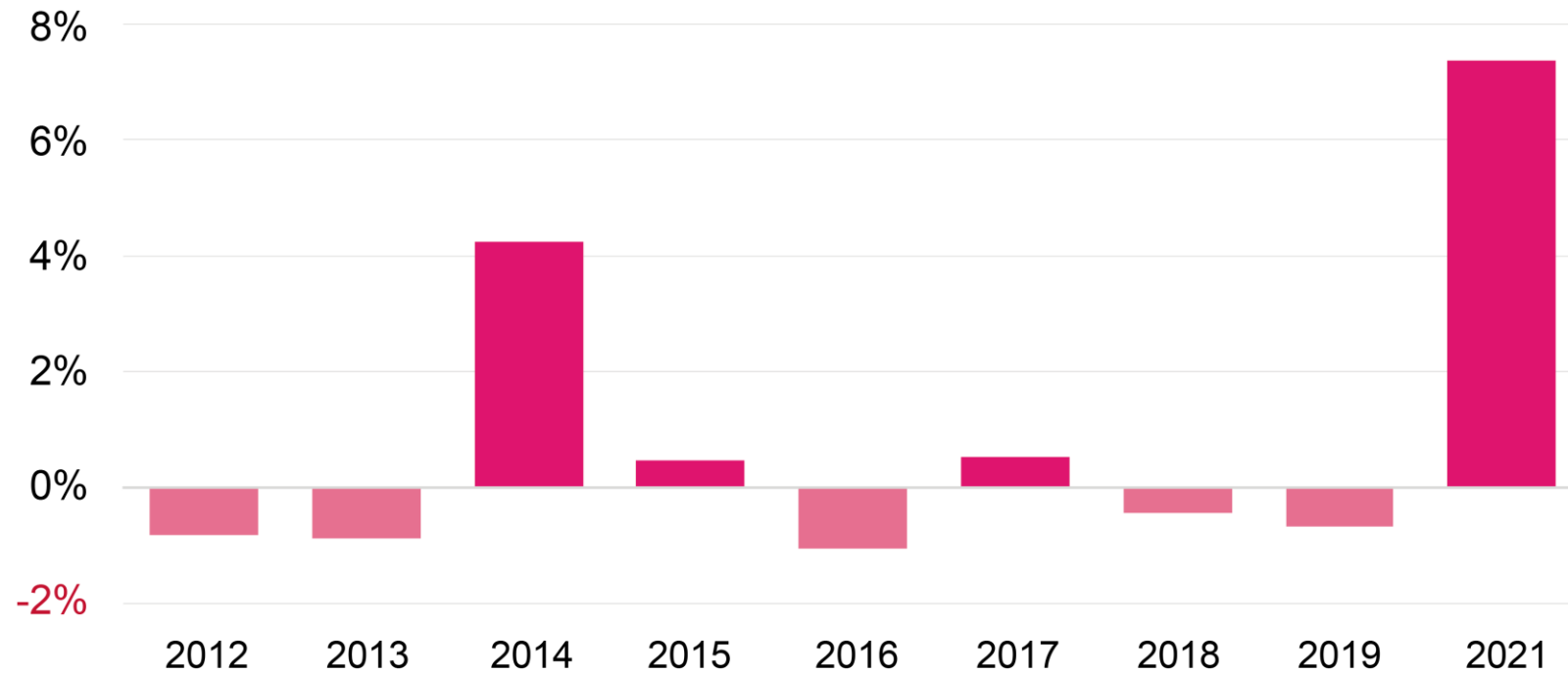
12-month percent change in selected consumer price indexes for New England, Oct 2021-Oct 2024



Data source: U.S. Bureau of Labor Statistics  
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## Rents jumped over 7 percent in first two years of pandemic

Annual change in median rent, adjusted for inflation, 2012-2019, 2021\*



\*2021 reflects the change in median rent over two years because there are no data for 2020.

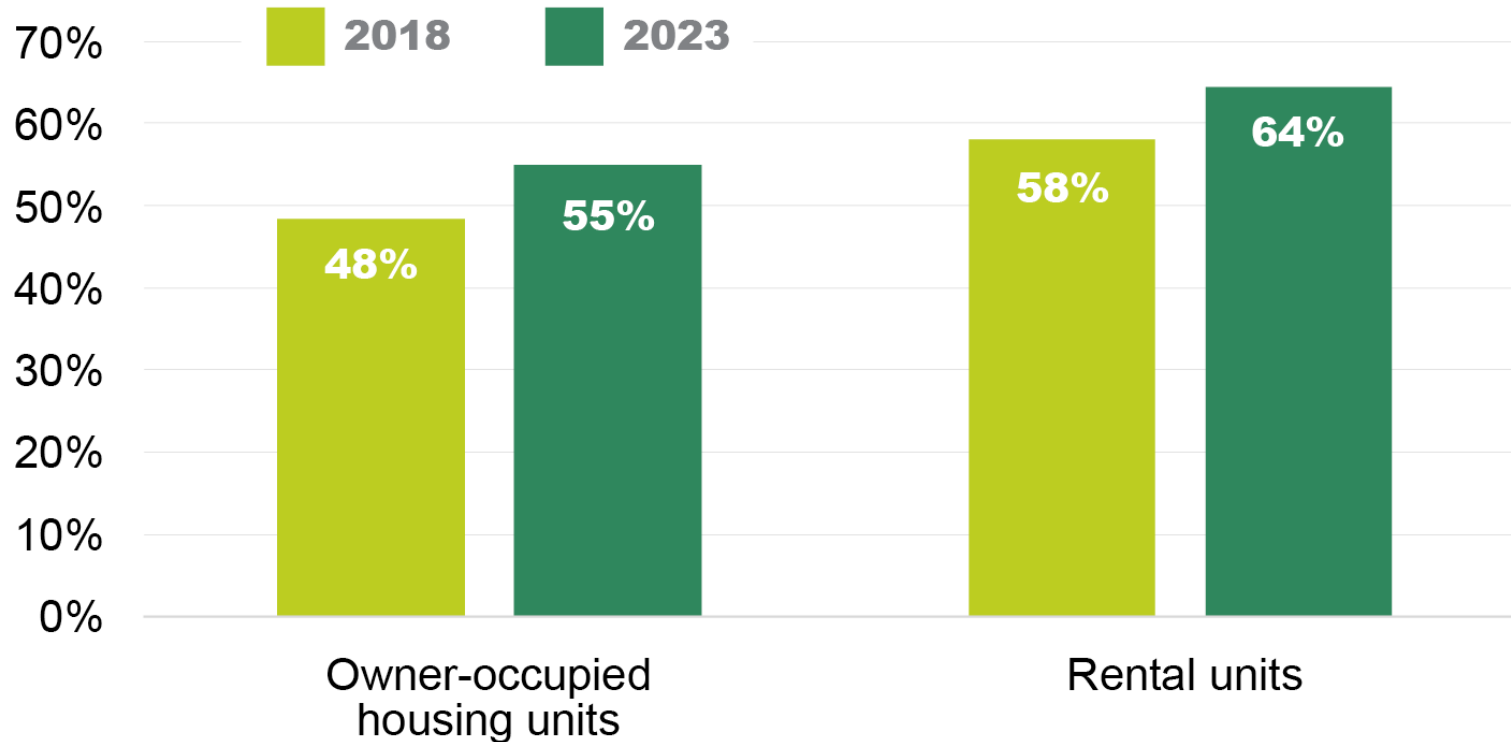
Data source: U.S. Census Bureau, American Community Survey 1-year estimates, 2012-2019, 2021

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## Housing strained most household budgets under \$75,000

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



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

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

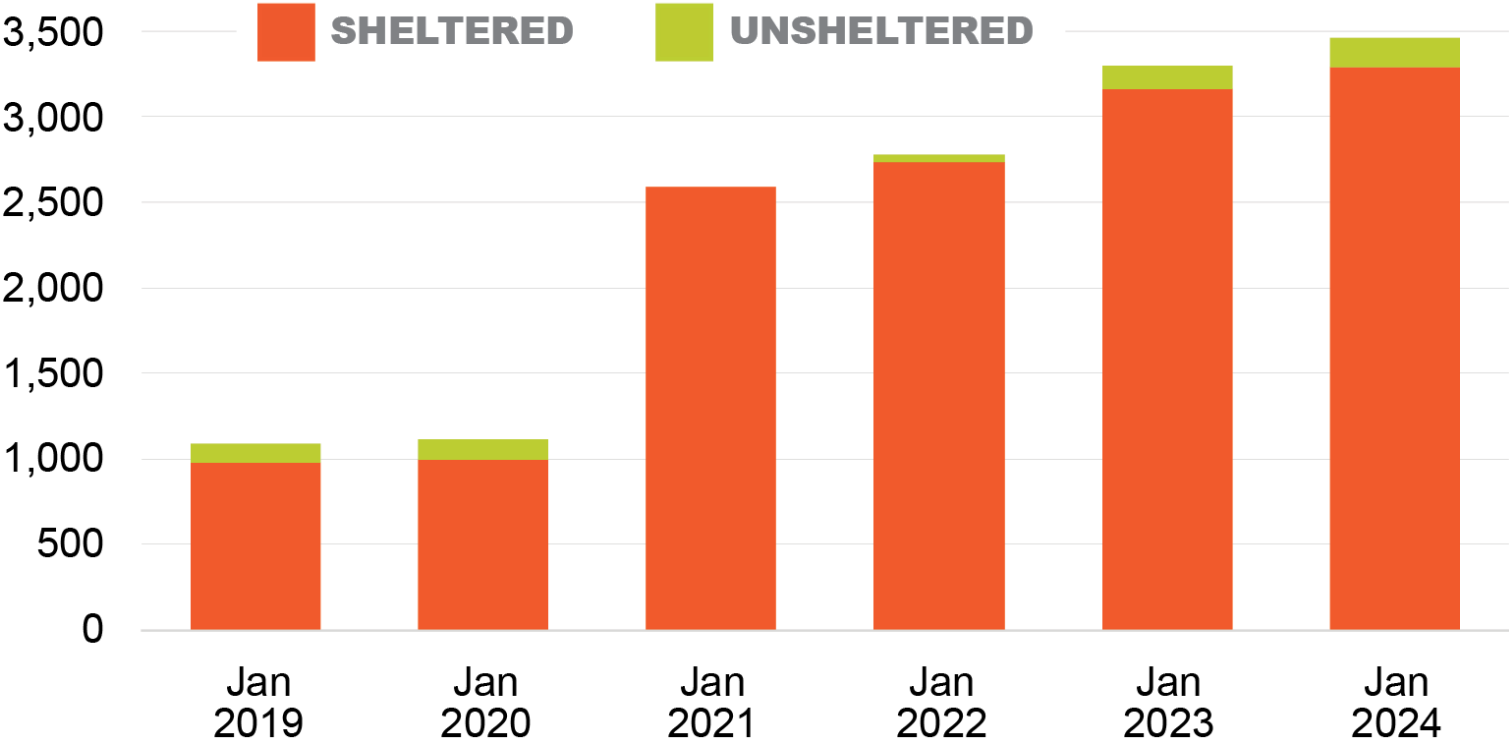
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# Homelessness has tripled since the beginning of Covid

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



Note: These numbers reflect the count in January of each year when seasonal shelter is available; they do not reflect those unsheltered in the summer and fall of 2024, when additional limits were imposed.

Data source: U.S. Department of Housing and Urban Development

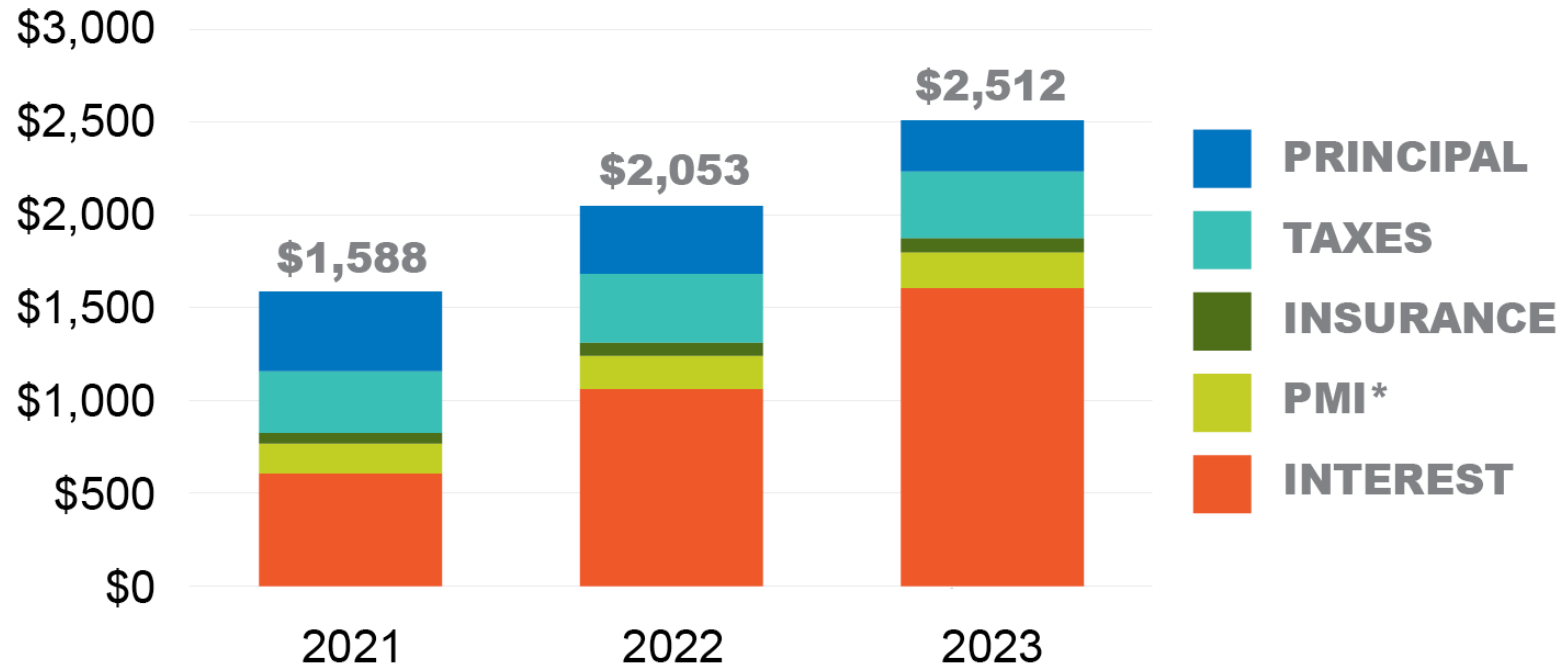
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## Higher interest rates drove up cost for homeowners

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



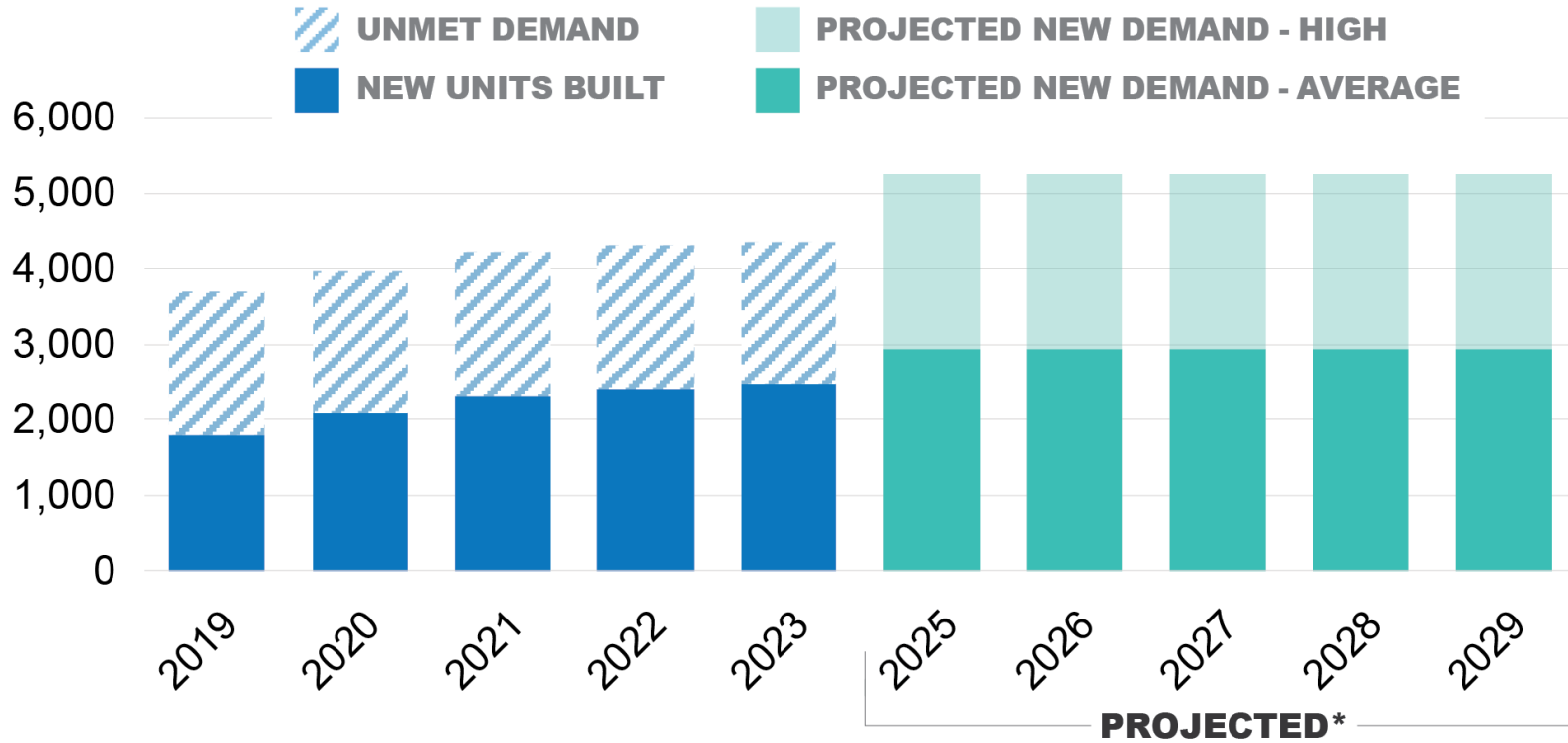
\* Private mortgage insurance

Data sources: Vermont Department of Taxes; Vermont Housing Finance Agency; Freddie Mac  
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# Vermont needs to build housing faster to catch up with demand

New privately owned units permitted for construction and additional estimated demand, 2019-2023, and projected housing unit demand, 2025-2029\*



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

Sources: Vermont Housing Finance Agency; U.S. Census Bureau Building Permit Survey  
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## INFLATION

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

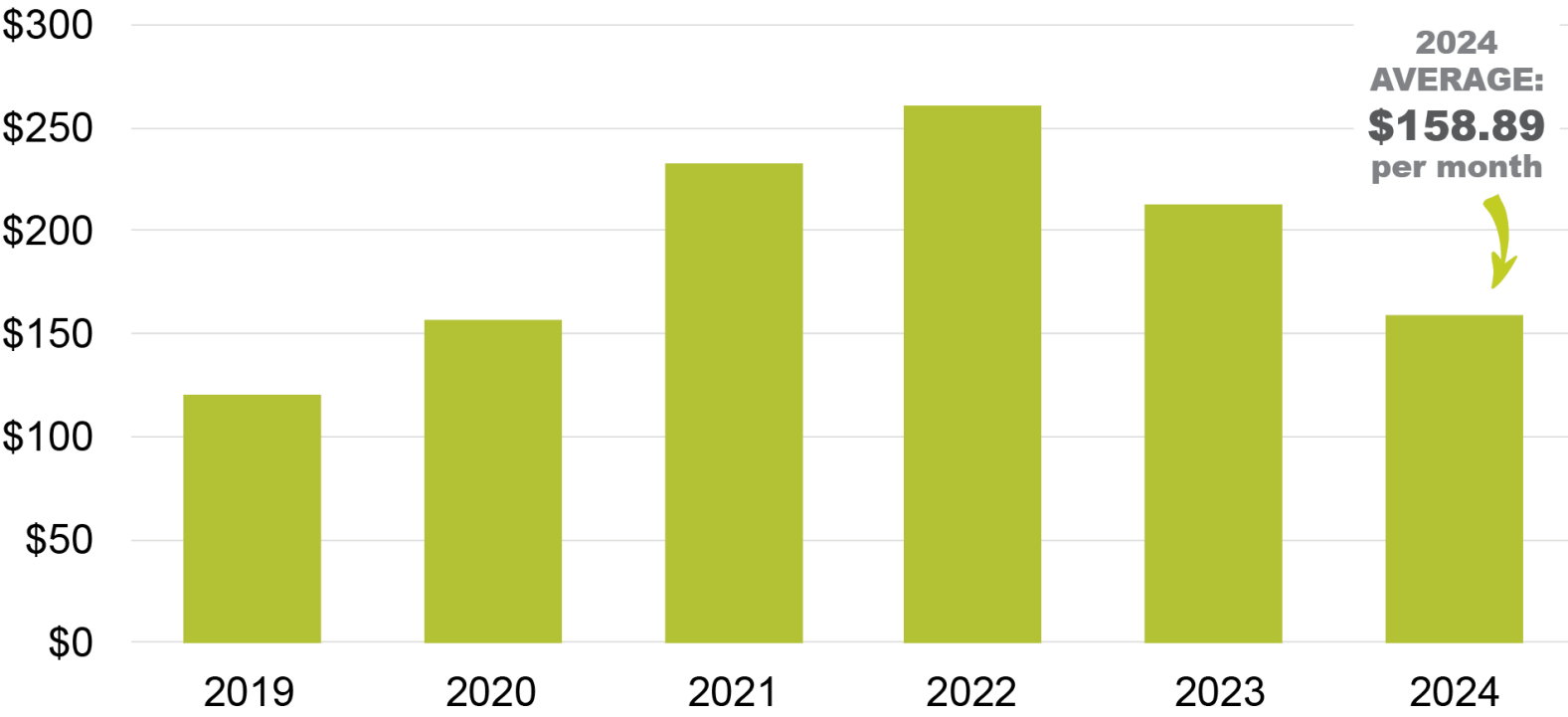


Data source: U.S. Bureau of Labor Statistics  
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# Food benefit amounts were back to pre-pandemic levels

Average monthly 3SquaresVT benefit per person, 2019-2024



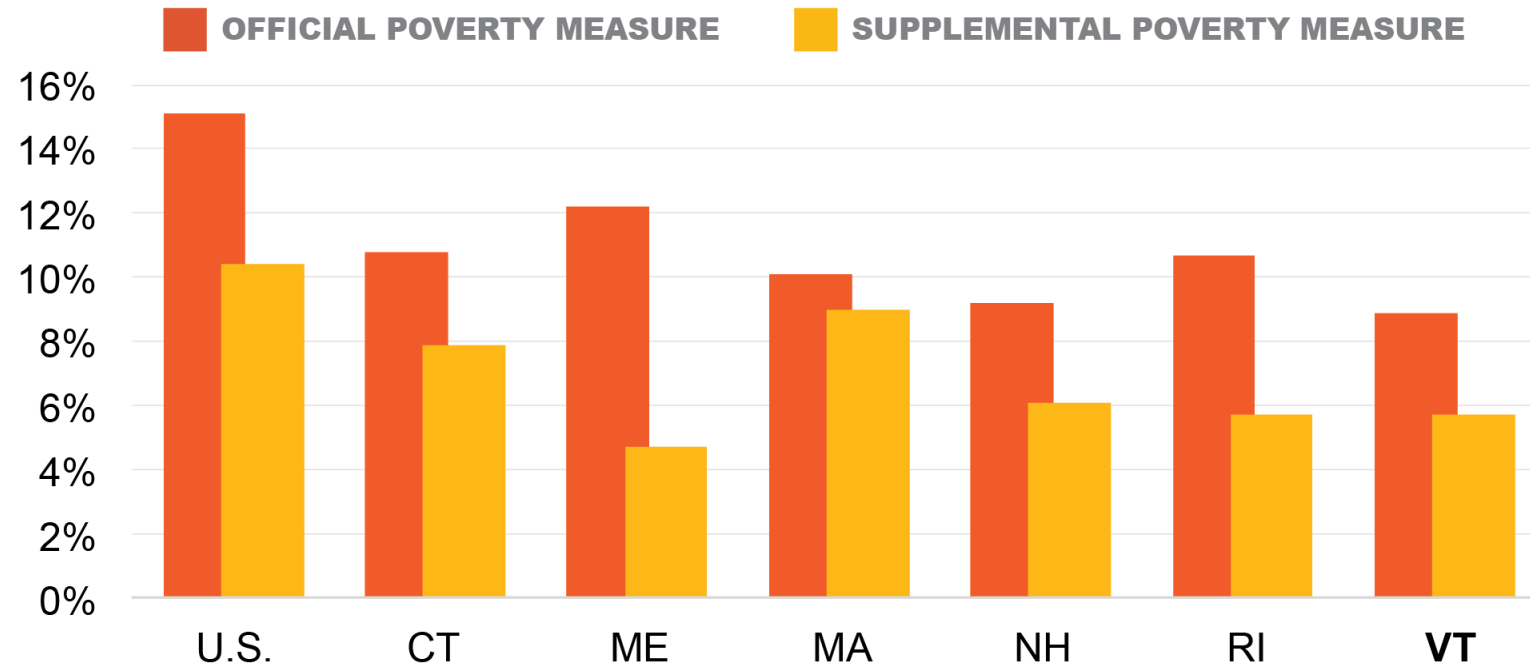
Data source: Vermont Department for Children and Families  
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## Government programs cut childhood poverty across New England

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

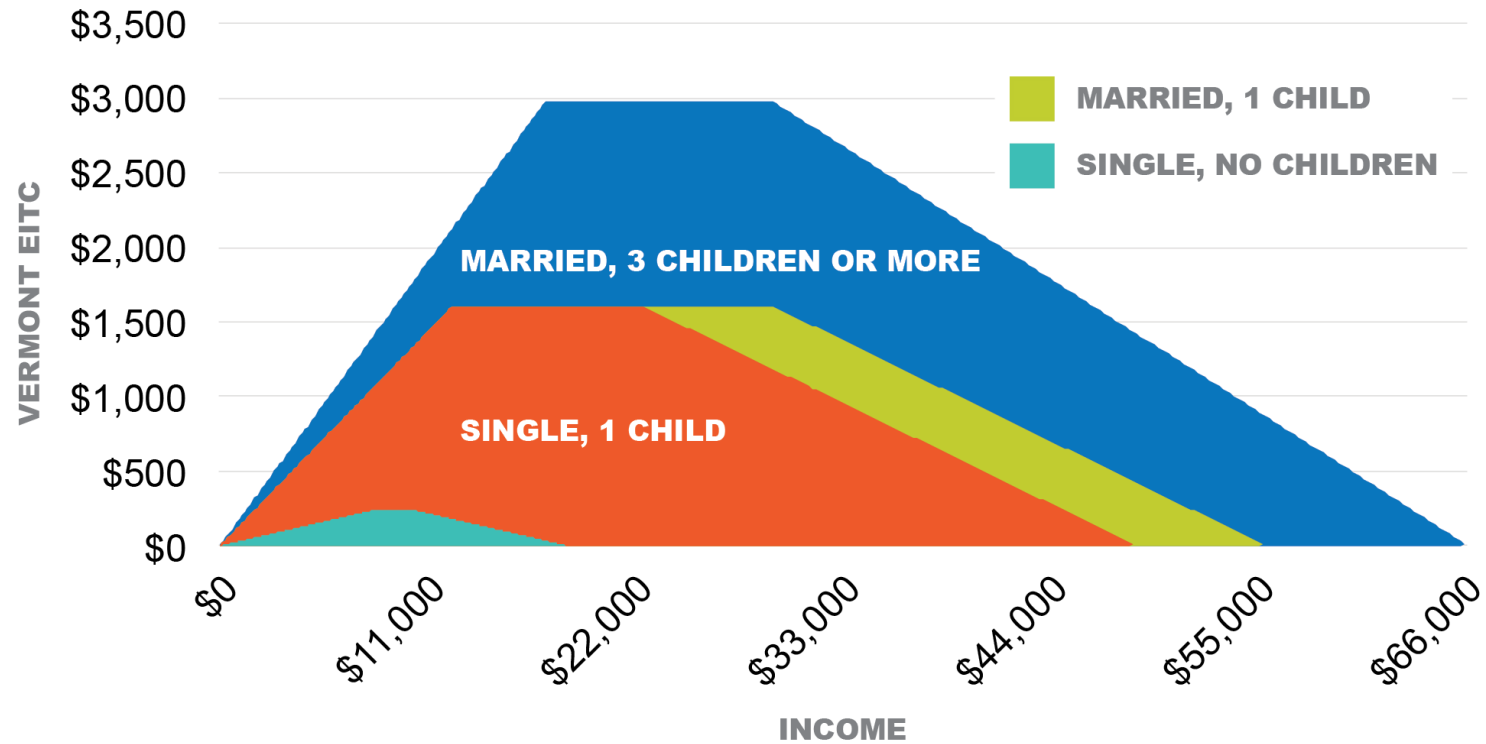


Data source: U.S. Census Bureau  
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## Vermont's Earned Income Tax Credit provides cash to families, especially those with children

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

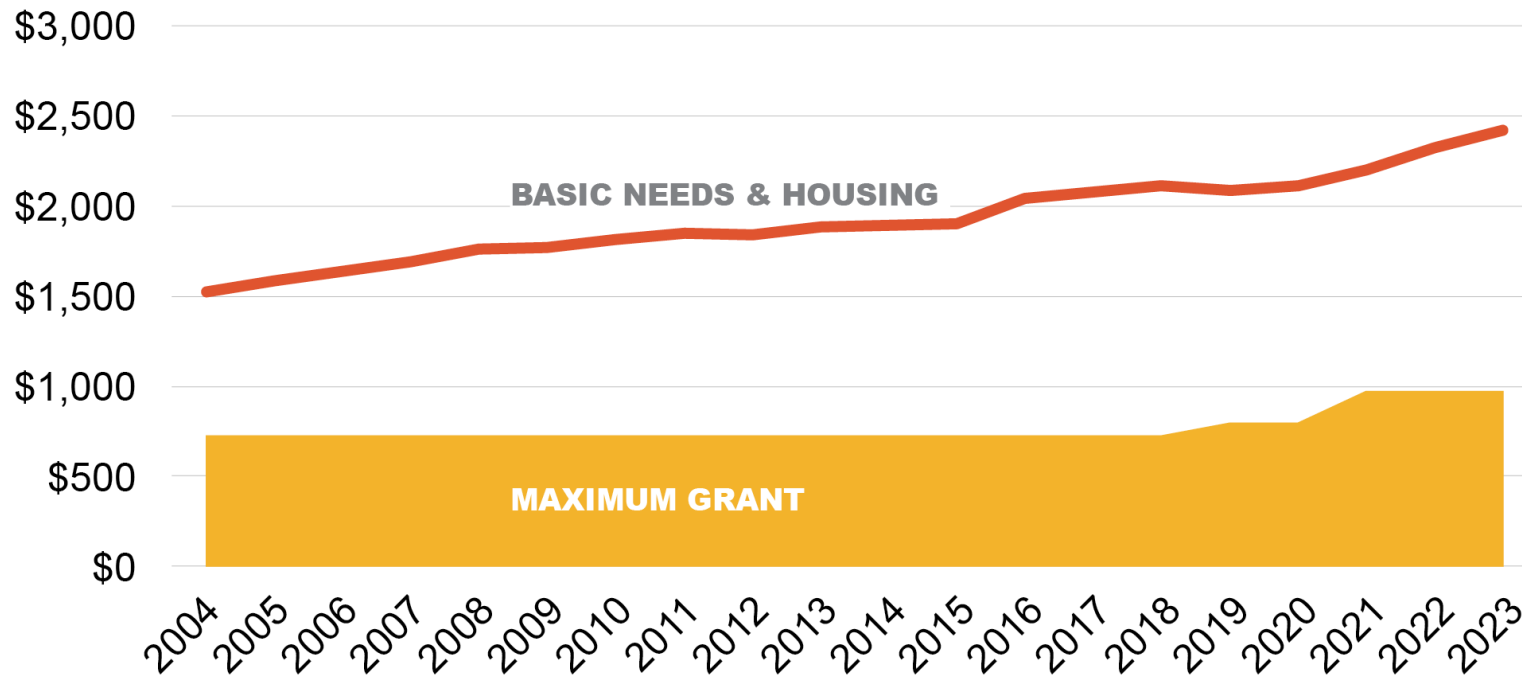


Data source: Internal Revenue Service draft tax form table  
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## Increased Reach Up grant helped, but still met less than half of basic needs

Cost of basic needs and housing, and maximum monthly Reach Up grant, family of four, 2004-2023

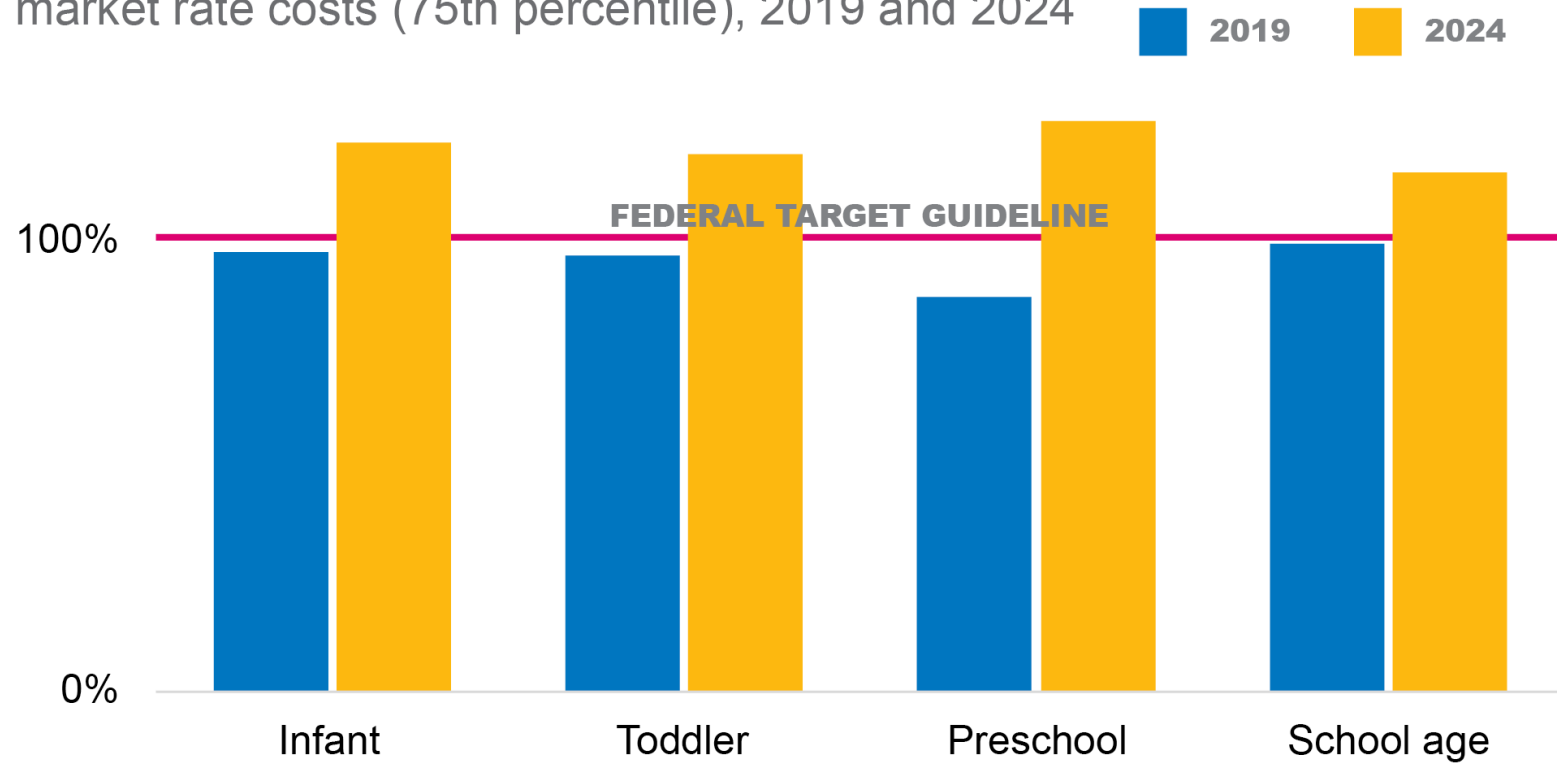


Data source: Vermont Department for Children and Families  
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## Childcare reimbursement rates finally hit their target

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



\* Child Care Financial Assistance Program

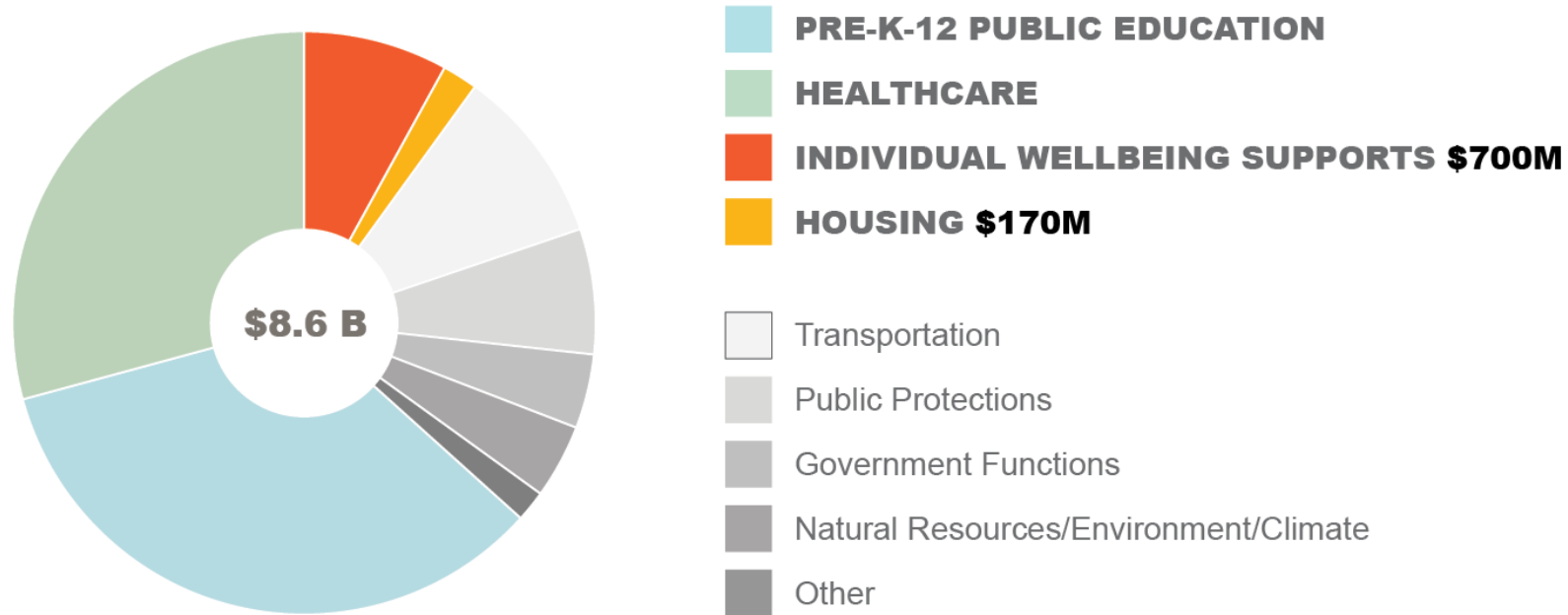
Data source: Vermont Department for Children and Families

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

Vermont state budget, by subcategory, FY2025



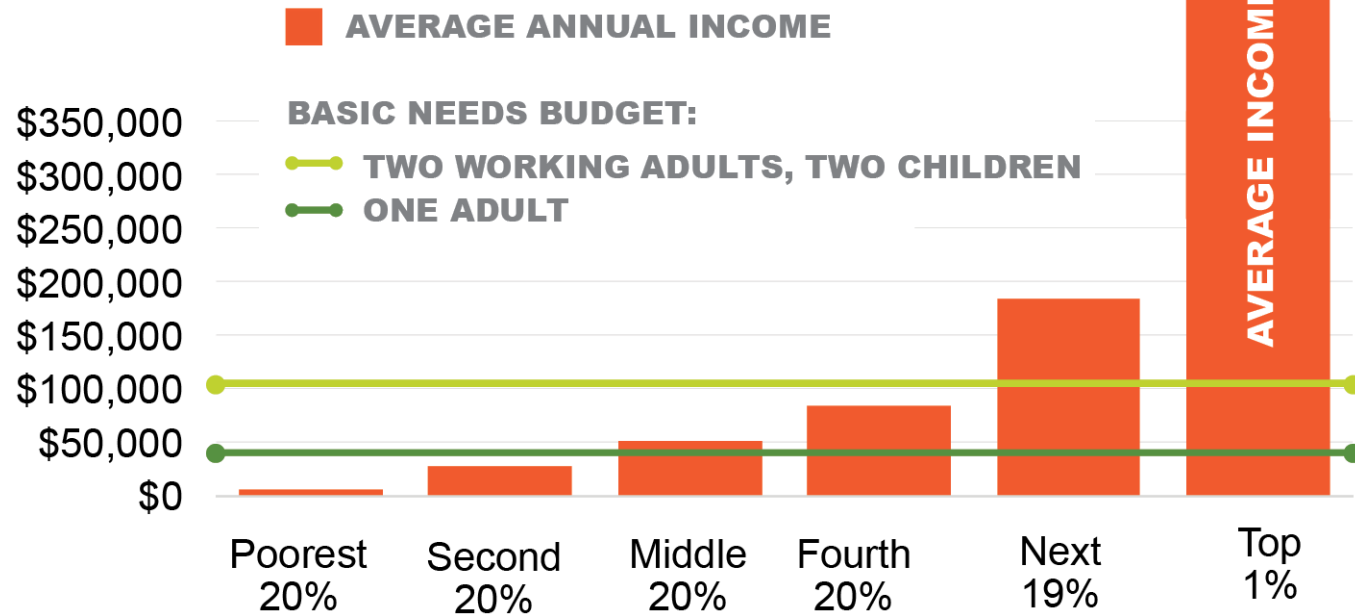
Data source: Vermont Joint Fiscal Office  
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# Many low- and middle-income Vermonters fell short of their basic needs. The top 1% had more than enough left over

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



Data sources: Vermont Joint Fiscal Office; Vermont Department of Taxes  
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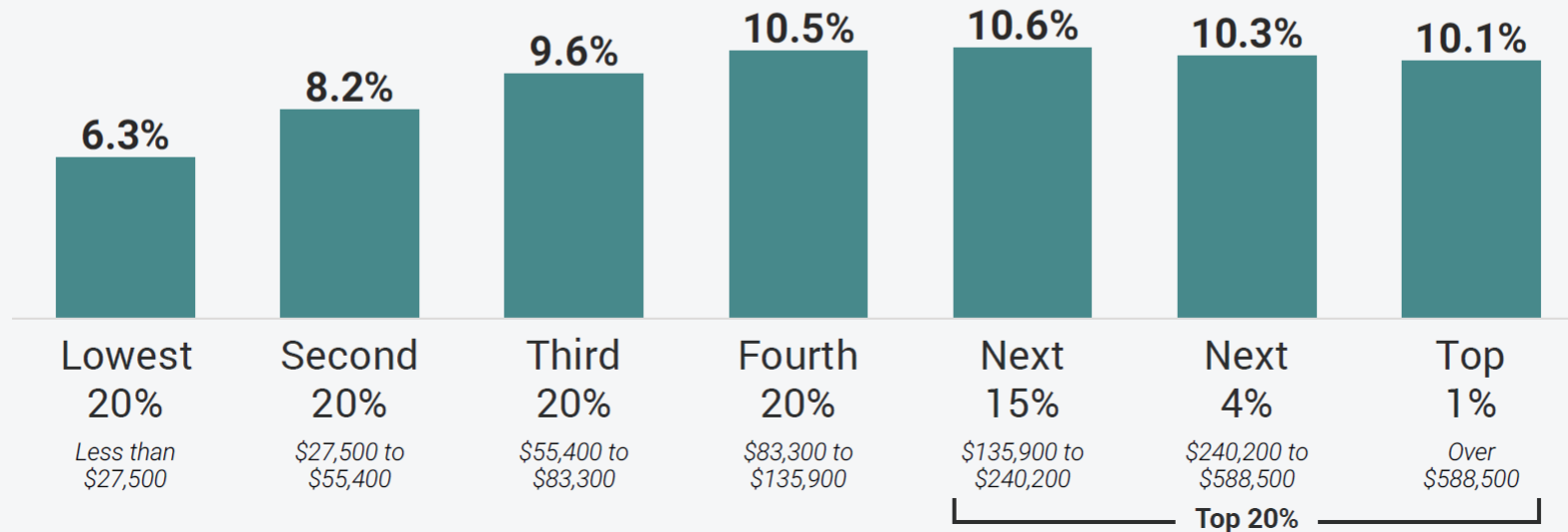
# Vermont

Who Pays?

## State and local tax shares of family income

### Total Taxes

Share of family income



# State of Working Vermont 2024



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