



VERMONT LEGISLATIVE Joint Fiscal Office

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Issue Brief

October 4, 2024

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Vermont's Population Estimates for 2023

Executive Summary

Following the swell of more than 4,100 people in 2021, Vermont's population grew by just 17 people in 2022 and 354 people in 2023 to 647,464, based on updated and revised estimates from the U.S. Census Bureau. Changes in the size and composition of the state's population by age since 2020 are especially notable given the interest in migration during the pandemic. As of July 1, 2023, relative to July 1, 2020, Vermont had about 4,500 more people overall, an increase of 0.7 percent. The state also had significant changes in specific age groups over that time:

- About 4,000 fewer children ages 0 to 17, down more than 3 percent;
- About 2,000 more people ages 25 to 39, up almost 2 percent;
- About 6,100 fewer people ages 55 to 64, down more than 6 percent;
- About 10,800 more people ages 65 to 79, up more than 10 percent;
- About 2,600 more people ages 80 and over, up almost 10 percent.

Vermont's population grew by about 350 people in 2023, and the share of older Vermonters continues to rise.

The changing demographics in Vermont impact many aspects of daily life, from employment to tax collections to caring for the young and elderly. The share of working-age Vermonters, ages 25 to 64, was about 51.3 percent in 2020 but dropped to 50.4 percent in 2023. Vermont can celebrate an influx of young and middle-aged adults during the pandemic, but it was outnumbered by the sizeable decline in adults ages 55-64 as many baby boomers aged out of their traditional working years. Birth rates dropped sharply during the pandemic and remained subdued in 2023 relative to the pre-pandemic years. As a result, the shares of both young and school-age children declined. If Vermont's goal is to grow its overall population and share of working-age residents substantially, it faces a tough road ahead. Net migration must offset big deficits in the natural change that comes from births minus deaths.

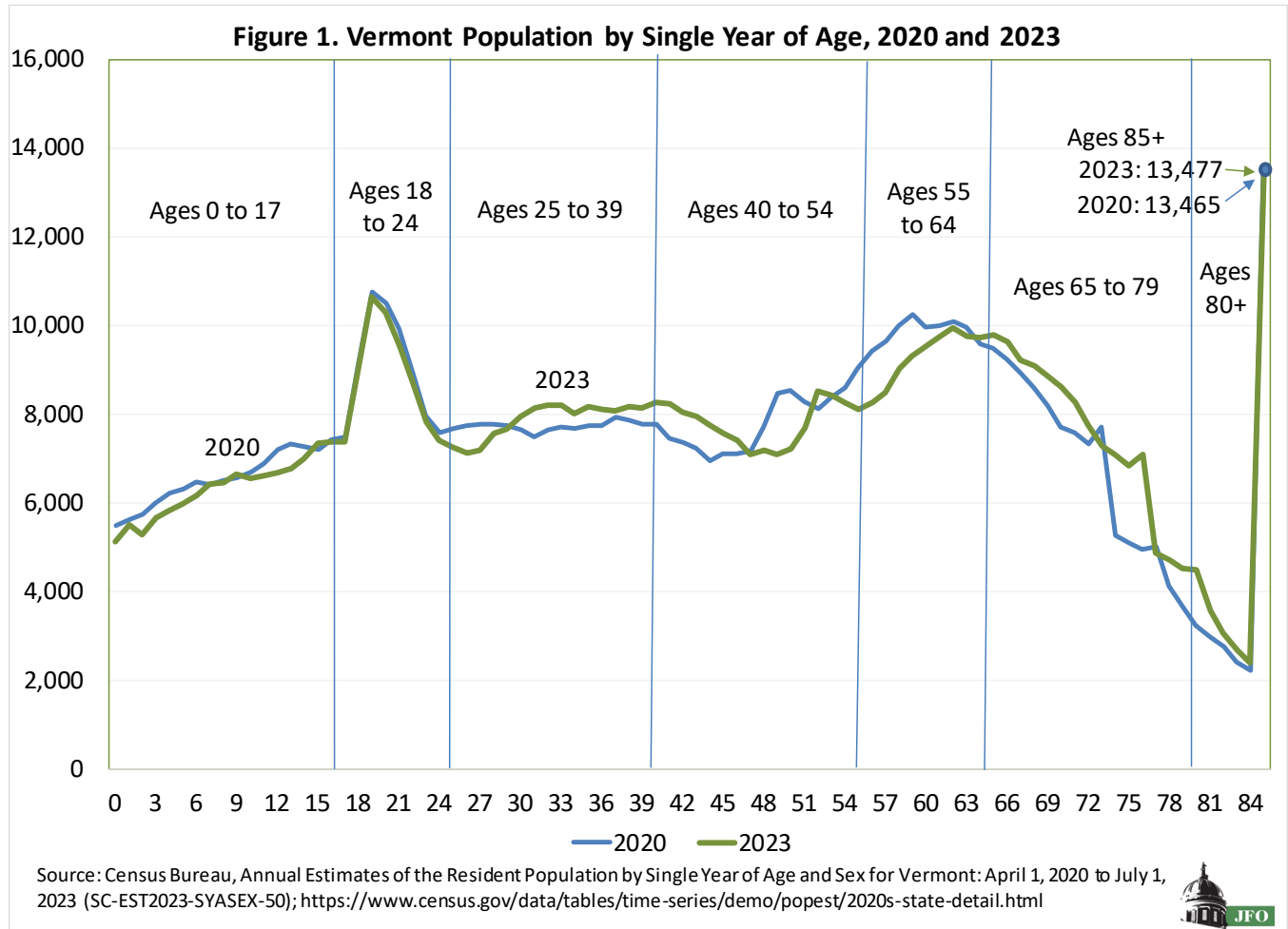
Understanding the impacts of policy on demographics as well as the interplay between demographics and existing policy is important to understanding the future trajectory of both Vermont's population and its economy. Careful attention to policies that support working-age people and provide needed services for older and younger Vermonters is critical for the years ahead.

Estimates of the Population by Age, 2023 and 2020

The 2023 updated population estimates based on the U.S. Census Bureau's American Community Survey represent the best available data on the number of Vermonters by age. They are informed by the 2020 Census and surveys in 2021, 2022, and 2023, as well as vital statistics on births and deaths, data on international migration, and Medicare enrollment.

The 2020 Census represents a detailed look at Vermont's population in that year. The estimates for 2021 through 2023 were based on the much smaller American Community Survey and are revised periodically using updated data.¹ As a result, data from 2020 provide a good basis for comparing more recent data. All reported estimates are as of July 1 (see Figure 1).

Because the number of individuals ages 85 and older are reported in a single group, Figure 1 shows a dramatic increase between ages 84 and 85 that does not reflect actual age distribution.



The aging of baby boomers is the most noticeable change in the age distribution of Vermont's population since 2020. Baby boomers, defined as those born from 1946 to 1964, were ages 56 to 74 in 2020. As that cohort grows older, more and more join the 65 to 79 age group and leave the workforce. From 2020 to 2023, the 65 to 79 age group saw a remarkable increase of about 10,800, or more than 10 percent. That increase is the largest of any age group and more than double the overall population gain of about 4,500 people (see Table 1 for exact numbers).

The biggest decline by age group from 2020 to 2023 was among people ages 55 to 64. That group saw a drop of almost 6,100, or more than 6 percent, as younger baby boomers aged out and some members of the Gen X cohort (born from 1965 to 1980) moved into their later 50's.

¹ <https://www.census.gov/programs-surveys/popest/about/schedule.html>

At the same time, Vermont can celebrate an increase in its young and middle-aged adult population. People ages 25 to 39 increased by almost 2,000 or 1.7 percent, and those ages 40 to 54 increased by almost 450 or 0.4 percent. Many of those new young and middle-aged adults were likely in-migrants during the pandemic; the population estimate in 2023 suggests many are choosing to remain in Vermont for the long term.

One might expect that those new young and middle-aged adults came to Vermont with families, which would bolster the number of children in Vermont. But the numbers of both very young children and school-aged children dropped from 2020 to 2023. The number of children ages 0 to 4 fell by about 1,650, or roughly 5.8 percent, and births in 2023 remained below pre-pandemic levels.² The population of school-aged children declined by about 2,350, or approximately 2.6 percent. Overall, children ages 0 to 17 fell by more than 4,000, or about 3.4 percent.

Revised estimates for the number of young people in the higher education years, ages 18 to 24, show a decline of over 1,150, or almost 2 percent, between 2020 and 2023.

	2020	2023	Change	Percentage Change
0-17	118,646	114,636	-4,010	-3.4%
18-24	64,678	63,515	-1,163	-1.8%
25-39	115,855	117,824	1,969	1.7%
40-54	116,116	116,552	436	0.4%
55-64	97,907	91,814	-6,093	-6.2%
65-79	102,756	113,524	10,768	10.5%
80+	26,978	29,599	2,621	9.7%
Total	642,936	647,464	4,528	0.7%

Sources: U.S. Census Bureau, Estimates as of July 1 based on 2020 Decennial Census and Population Estimates from 2023

Finally, the number of the oldest Vermonters ages 80 and above increased by more than 2,600, or 9.7 percent, from 2020 to 2023. That increase likely would have been greater had it not been for 668 COVID-19 deaths among that age group during that time.³

Shares of Vermont's Population by Age Group

Looking at shares of the population in different age groups may help Vermont policymakers identify pressures on services, revenues, and the labor force. Understanding recent changes in population shares and likely changes in the shares going forward can help policymakers target resources with an eye to the future.

To the extent that they support both younger and older people through contributions to State revenues as well as direct care, Vermonters in the working age population, ages 25 to 64, are vitally important to the state's economy. In the last few years, the share of Vermonters in the young adult age group (ages 25 to 39) rose to its highest level since 2010, reaching 18.2 percent of the total population (see Figure 2). But the sharp decline in the share of older working age adults (ages 55 to 64) and relative stagnation of the share of middle-aged adults (ages 40 to 54) means that the total share of the working age population fell. In fact, the share of the population ages 25 to 64 declined by almost a full percentage point since 2020, from 51.3

² Newborns (age 0) in the 2023 estimates were 5,112 whereas newborns in 2018 and 2019 were above 5,500.

³ <https://www.healthvermont.gov/sites/default/files/document/COVID-19-Surveillance-report-20240731.pdf>

percent to 50.4 percent, suggesting that the potential pool of workers relative to children and retirees has shrunk.⁴

At the same time, the sharp increase from 16 percent to 17.5 percent in the share of the population that is ages 65 to 79 and the modest uptick in the share of Vermonters ages 80 or more suggests greater demand for services that help older people thrive – such as transportation, health care, and housing. As that population ages over the next ten years, the demand for those services will continue to rise.



Net Migration vs. Population Change

As has been true since 2021, Vermont continued to show more domestic in-migration than domestic out-migration in 2023, meaning that more people from other U.S. states moved into Vermont than people from Vermont moved out to live in other states. From July 1, 2022 to July 1, 2023, almost 850 more residents moved into Vermont from other states than left Vermont for other states (Table 2). Since April 1, 2020, about 6,750 net domestic migrants settled in Vermont. But net domestic in-migration represents just one part of the story of how Vermont’s population is changing.

International migrants make up a second important component of population change in Vermont. Between July 1, 2022 and July 1, 2023, more than 1,300 net international migrants settled in Vermont. That number is about 55 percent greater than the number of net domestic migrants over the same 12 months. Combining

⁴ In fact, the size of the Vermont labor force in August 2024 was the highest it has been since April 2011. A plausible explanation is that more people ages 65+, who might typically be retired, are working or looking for work as life expectancy rises and many find themselves healthy enough to continue working.

both domestic and international net migration shows that over 2,150 net migrants were added to the resident population of Vermont between July 1, 2022 and July 1, 2023.

The third and fourth components of population change are births and deaths. Between July 1, 2022 and July 1, 2023, births to Vermont residents were 5,072, and the number of deaths was 6,876. As a result, the “natural change” in the population was -1,804. In other words, Vermont’s population would have declined by more than 1,800 people if no migration into and out of Vermont had occurred.

As mentioned above, net domestic and international migration combined added 2,156 people to the state’s population. After including a residual that is not explained and combining the natural change with total net migration, the estimated increase in Vermont’s overall population during the 12 months ending July 1, 2023 was 354.

Net migration was even more important to Vermont’s population growth during the pandemic period from April 1, 2020, to July 1, 2023. The natural change in the population was about -5,200 over that period. But net migration of more than 9,500 led to population growth of almost 4,400 starting from April 1, 2020.

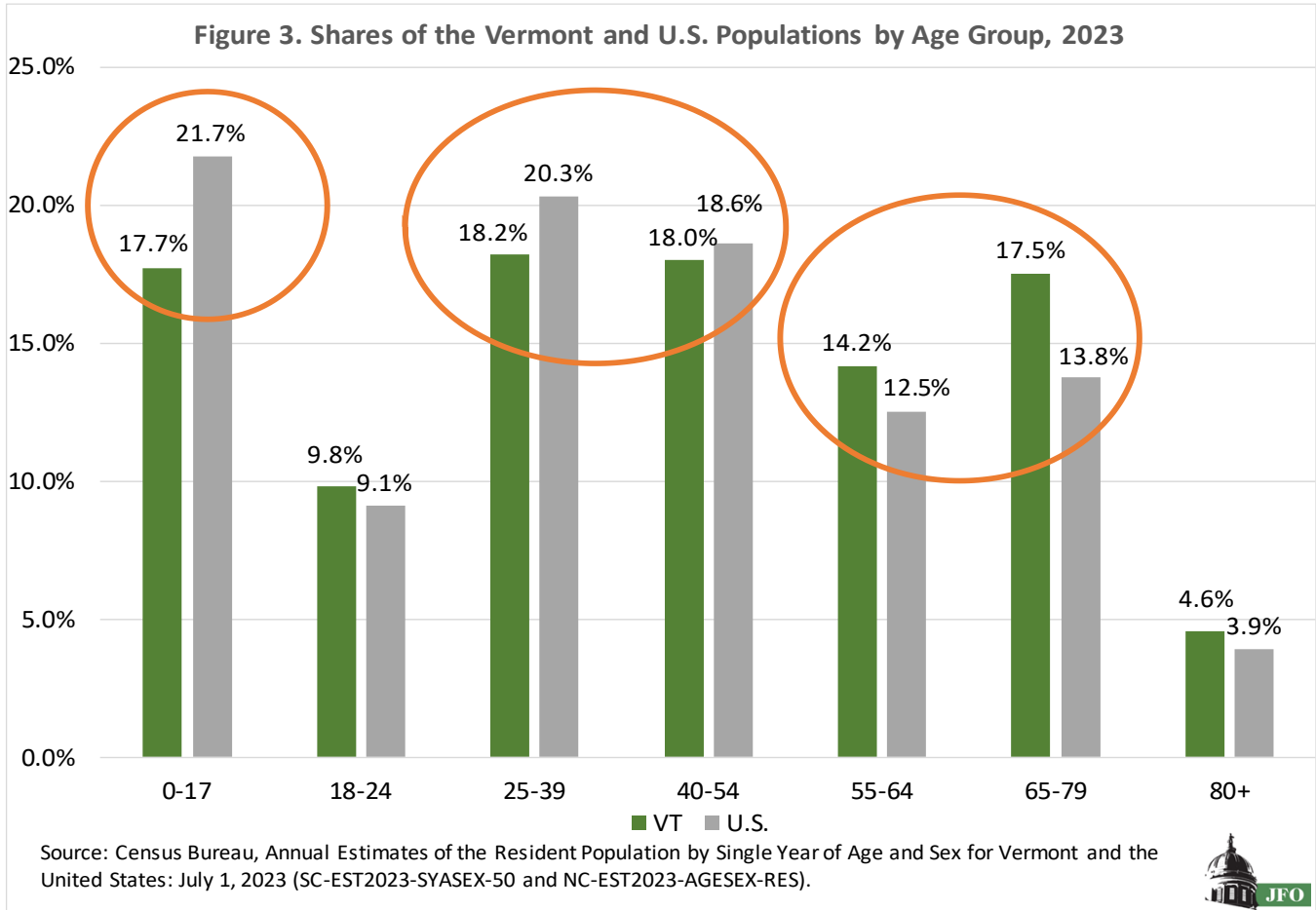
Table 2. Annual and Cumulative Estimates of the Components of Resident Population Change in Vermont							
Geographic Area	Total Population Change*	Vital Events			Net Migration		
		Natural Change	Births	Deaths	Total	International	Domestic
Annual Estimates: July 1, 2022 to July 1, 2023							
Vermont	354	-1,804	5,072	6,876	2,156	1,312	844
Cumulative Estimates: April 1, 2020 to July 1, 2023							
Vermont	4,387	-5,191	16,913	22,104	9,503	2,757	6,746
* Includes an unexplained residual.							
Source: U.S. Census Bureau, Components of Resident Population Change in Vermont, March 2024.							

Considerations for Legislators

Several questions are paramount as legislators consider future statewide program demands and revenues needed to fund them:

- **Is Vermont’s aging situation different from the United States overall?** Comparing the shares of the population in the age groups used above represents one way to judge whether the makeup of Vermont’s population differs from that of the United States overall. In 2023, population estimates showed that Vermont had relatively fewer children, more college-aged people, fewer young and middle-aged adults, and more older adults ages 55 and older (Figure 3).
 - *Children:* Vermont has a much smaller share of residents ages 0 to 17 (17.7 percent) than the U.S. as a whole (21.7 percent).
 - *College-aged people:* Vermont continues to attract young people of college age (ages 18 to 24), as seen in the share of the population in that age group. Vermont’s share was 9.8 percent, whereas the share in the U.S. was 9.1 percent.
 - *Young and middle-aged adults:* Even after net migration to Vermont, Vermont had smaller shares of young (18.2 percent) and middle-aged (18.0 percent) adults than the U.S. (20.3 percent and 18.6 percent respectively). Those two age groups combined (ages 25 to 54) make up what is called the “prime working age” group. A lower share in that group puts more pressure on that population, as well as on younger and older workers, to support themselves and the rest of the population.

- *Older adults:* Vermont clearly had a higher share of people in the 55 to 64 and 65 to 79 age groups than the U.S. overall. The difference in the shares of people ages 55 to 64 (14.2 percent in Vermont and 12.5 percent in the U.S.) was notable, but not as large as the difference in the shares of people ages 65 to 79 (17.5 percent in Vermont and 13.8 percent in the U.S.). Even at the oldest ages, age 80 and above, Vermont's share (4.6 percent) was larger than the U.S. share (3.9 percent).



- **Will demographic changes lead to smaller growth in State revenues?** An aging population implies lower tax revenues per capita, all else being equal.
 - As reported in The Vermont Tax Study, 2005-2015, the 45 to 54 and 55 to 64 age groups paid the highest effective tax rate (3.7 percent) on 2014 income under the Vermont income tax (Tax Study, Figure 42).⁵ As the large baby boomer cohort continues to age out of the higher earnings age groups, income tax revenue may decline.
 - Lower sales tax collections may accrue as well, as spending for the aging population shifts away from goods and toward services, such as health care, which are not taxed or are taxed lightly.⁶

⁵ Vermont Joint Fiscal Office. The Vermont Tax Study, 2005-2015. <https://jifo.vermont.gov/assets/docs/reports/6ca6f1666c/2017-10-Year-Tax-Study-Full-Report-Compressed.pdf>

⁶ The Vermont Tax Study, 2005-2015, Table 31.

- **How can Vermont's economy best adapt to its changing demographics?** Unless Vermonters ages 65 and older decide to leave Vermont in droves or younger working age people flock to the state in great numbers, Vermont's share of older people will continue to rise, placing a greater burden on workers to support both young and old. Potential policy options include:
 - Increasing in-migration of young working-age people, either through raising the cap on international migrants or attracting more workers from other states.
 - Investing in infrastructure such as health care, broadband, housing, and climate change adaptation and mitigation strategies to enable smooth relocation for remote workers and others interested in Vermont's amenities.
 - Planning now for comprehensive approaches to support an aging population across health care, human services, housing, transportation, workforce, income security, and safety.
 - Reviewing programs to promote healthy aging. Research suggests that almost half of adults who survive to age 65 receive some paid care for long-term services and supports over their lifetime.⁷ Lengthy spells of paid care are more common among older adults with few financial resources.
 - Taking a fresh look at transportation services to help older adults who face transportation barriers because they drive less frequently, or not at all, as they age. Some face economic constraints as well.
 - Updating support systems and programs that strengthen community to mitigate the multiple challenges older adults face, such as increased health risks and social isolation.
 - Reviewing the current four-year State Plan on Aging that focuses on critical services that support older Vermonters in the greatest social and economic need.⁸ Eight states including Vermont have developed "multisector plans for aging" that lay out long-term, comprehensive approaches to support older adults' social, physical, and economic well-being.

⁷ Johnson, Richard W. "What is the Lifetime Risk of Needing and Receiving Long-Term Services and Supports?" U.S. Department of Health and Human Services, April 3, 2019.

<https://aspe.hhs.gov/reports/what-lifetime-risk-needing-receiving-long-term-services-supports-0>

⁸ The group Multisector Plan for Aging reports that eight states have a master plan for aging: California, Utah, Colorado, Texas, Oklahoma, Pennsylvania, Massachusetts, and Vermont: <https://multisectorplanforaging.org/>. The 2023-2026 Vermont State Plan on Aging is available at

https://asd.vermont.gov/sites/asd/files/documents/VT%20State%20Plan%20on%20Aging%202023_2026.pdf

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