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Issue Brief

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Vermont's Population Estimates for 2022

Executive Summary

Following the swell of almost 4,100 people in 2021, Vermont's population stood at 647,064 in 2022 – a year over year increase of just 92 people – based on updated estimates from the U.S. Census Bureau. Changes in the size and composition of the state's population by age since 2010 are especially notable. As of July 1, 2022 relative to July 1, 2010, Vermont had about 21,000 more people overall, an increase of 15 percent. The most significant changes were in the following age groups:

- About 14,000 fewer children ages 0 to 17, down 11 percent
- About 12,000 more people ages 25 to 39, up 11 percent
- About 28,000 fewer people ages 40 to 54, down 20 percent
- About 44,000 more people ages 65 to 79, up 67 percent

Vermont's population grew by just 92 people in 2022, and the share of older Vermonters continues to rise.

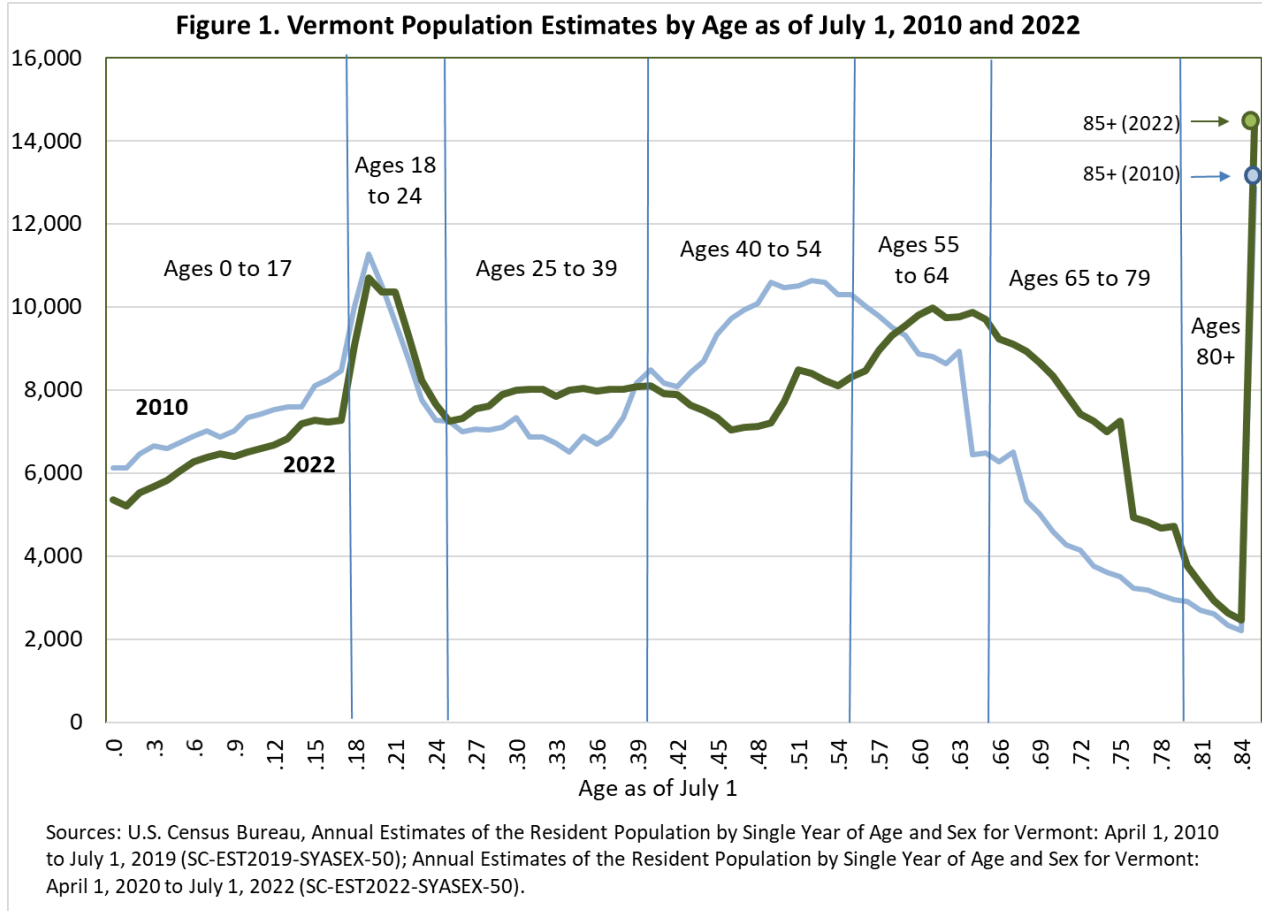
Changing demographics in Vermont impact many aspects of daily life, from employment to tax collections to caring for the young and elderly. The share of working-age Vermonters, ages 25 to 64, was about 54.5 percent in 2010 but dropped to 51.1 percent in 2020. It fell further in 2022, to about 50.5 percent. Even as more people moved to Vermont during the COVID-19 pandemic, the influx of working-age adults was not big enough to boost the number of working-age people relative to the overall population. Birth rates dropped sharply during the pandemic. As a result, the share of children in the overall population declined. If the goal is to grow its overall population and share of working-age residents substantially, Vermont 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 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, 2022 and 2010

The 2022 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. Those estimates are informed by the 2020 Census and surveys from 2021 and 2022, as well as vital statistics on births and deaths, data on international migration, and Medicare enrollment.

The 2010 Census represents a detailed look at Vermont's population in that year. The estimates for 2011 through 2019 were based on the much smaller American Community Survey and will be revised in 2024 using data from the 2020 Census.¹ As a result, data from 2010 provide a good basis for gleaning long-term trends. 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 the baby boom generation is the most noticeable change in the age distribution of Vermont's population since 2010. From 2010 to 2022, the 65 to 79 age group saw a remarkable increase of about 44,000, or 67 percent. That increase is the largest of any age group and more than double the overall population gain of about 21,000 people (see Table 1 for exact numbers). The baby boomers, defined as those born from 1946 to 1964, were ages 46 to 64 in 2010. Many were at or near the height of their working careers. In 2022, however, many had left the labor force and were ages 58 to 76.²

The biggest decline by age group was among working-age people ages 40 to 54. That age group saw a drop of more than 28,000 from 2010 to 2022, as younger baby boomers aged out and some members of the Gen X (born 1965 to 1980) and Millennial (born 1981 to 1996) cohorts moved into their 40s and 50s. The smaller (relative to baby boomers) Gen X cohort partly explains why the labor force in Vermont today is smaller than it was in 2010.

Three age groups remained relatively stable in size. The number of young people ages 18 to 24 rose by about 500 between 2010 and 2022 as Vermont continued to attract young people to its institutions of higher learning. Older working-age people and early retirees, ages 50 to 64, grew by about 3,000. The number of

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

² Further aging of the baby boomers suggests that Vermont's labor force will continue to shrink for some time without substantial in-migration and immigration of working-age people.

Vermonters ages 80 and older increased by about 3,900. The uptick in the eldest Vermonters might have been larger, but as of January 7, 2023, COVID-19 had taken the lives of 498 Vermonters in that age group.³

	2010	2022	Change	Percentage Change
0-17	128,792	114,757	-14,035	-10.9%
18-24	65,214	65,681	467	0.7%
25-39	105,734	117,662	11,928	11.3%
40-54	143,988	115,796	-28,192	-19.6%
55-64	90,605	93,717	3,112	3.4%
65-79	65,907	109,890	43,983	66.7%
80+	25,639	29,561	3,922	15.3%
Total	625,879	647,064	21,185	3.4%

Sources: U.S. Census Bureau, Estimates as of July 1 based on 2010 Decennial Census and 2022 Population Estimates

Over the last 12 years, the number of children continued to fall. From 2010 to 2022, the number of children ages 0 to 17 declined by about 14,000, or about 11 percent. Fewer children in schools leads to higher per pupil expenditures in many cases and may signal smaller working-age cohorts in the future.

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, revenue sources, and the labor force. Understanding changes in population shares in the past and likely changes in the shares going forward can help policymakers target resources with an eye to the future.

Since 2010, the share of Vermonters in the mid-career age group, ages 40 to 54, has declined from 23 percent to slightly under 18 percent (see Figure 2). Slight upticks in the shares of both younger and older working-age people did not fill the gap, suggesting that the potential pool of workers relative to children and retirees has shrunk. At the same time, the sharp increase from 10.5 percent to 17 percent in the share of the population that is ages 65 to 79 suggests greater demand for the types of services that help older people thrive – such as appropriate transportation, health care, and housing. As that population ages over the next ten years, the demand for those services will rise.

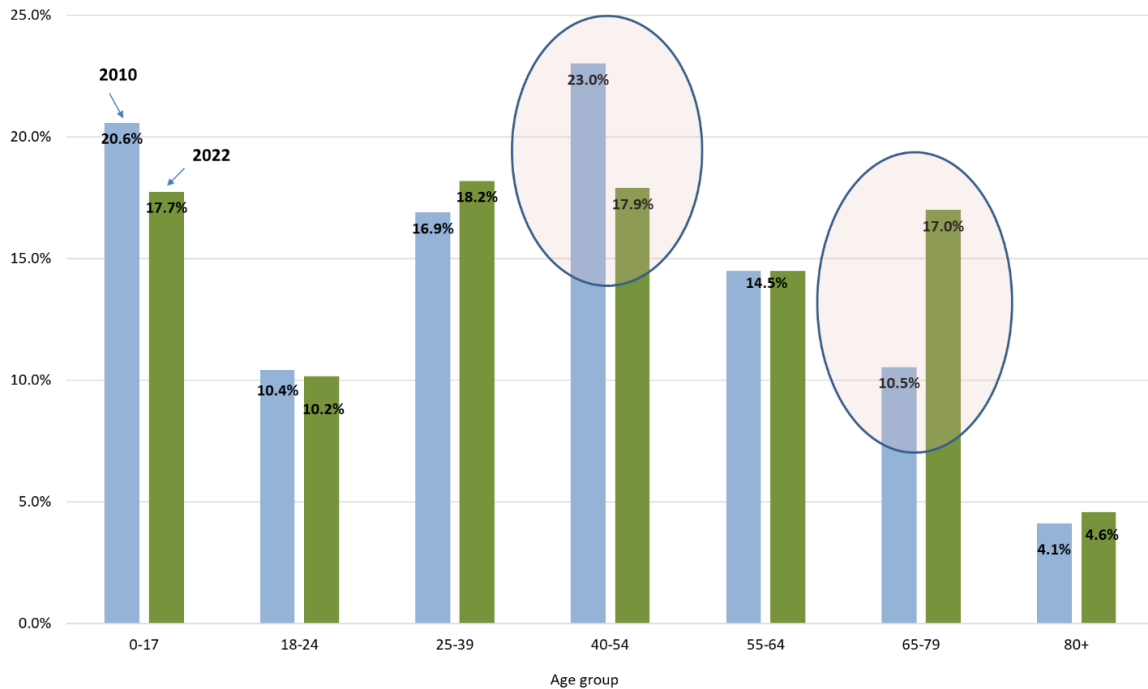
Those who want to get a sense of the movement in the shares by age group since 2010 will note the decline in the share of people ages 40 to 54 and sharp increase in the share of people ages 65 to 79 (see Figure 3).⁴ Of particular interest may be the slow drop in the share of children and the leveling off in working-age people ages 40 to 54 moving into the pandemic years.

Despite the good news of net inflow of people into Vermont in 2021 and 2022 (see the following section on net migration), Vermont's working-age population was smaller in 2022 than it was in either 2020 or 2010, both in number and as a share of the population. In 2022, about 327,200 people were ages 25 through 64, representing 50.6 percent of the population. In 2020, that number was a bit larger at almost 328,500, representing 51.1 percent. In 2010, it was notably larger at over 340,000, or 54.4 percent of the population.

³ <https://www.healthvermont.gov/sites/default/files/document/id-covid19-surveillance-report-20230111.pdf>

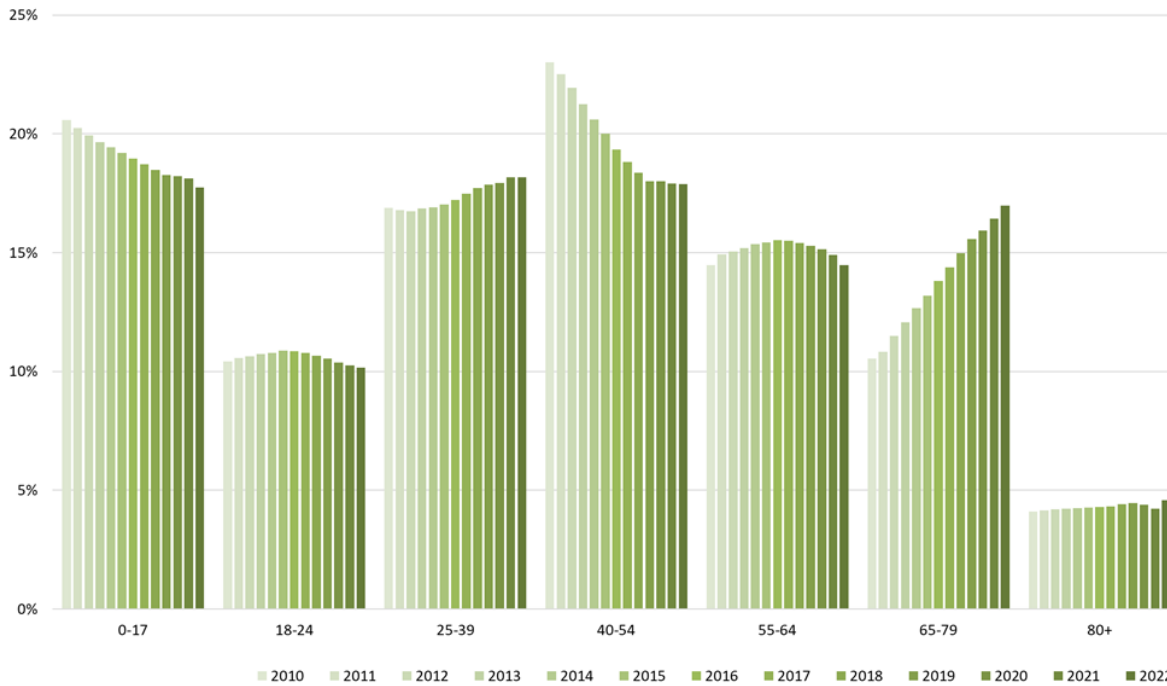
⁴ Of course, the detailed patterns in shares may change after the population estimates for 2011 to 2019 are revised in 2024.

Figure 2. Shares of Vermont's Population by Age Group, 2010 and 2022



Sources: U.S. Census Bureau, Annual Estimates of the Resident Population by Single Year of Age and Sex for Vermont: April 1, 2010 to July 1, 2019 (SC-EST2019-SYASEX-50); Annual Estimates of the Resident Population by Single Year of Age and Sex for Vermont: April 1, 2020 to July 1, 2022 (SC-EST2022-SYASEX-50).

Figure 3. Shares of Vermont's Total Population by Age Group, 2010-2022



Sources: U.S. Census Bureau, Annual Estimates of the Resident Population by Single Year of Age and Sex for Vermont: April 1, 2010 to July 1, 2019 (SC-EST2019-SYASEX-50); Annual Estimates of the Resident Population by Single Year of Age and Sex for Vermont: April 1, 2020 to July 1, 2022 (SC-EST2022-SYASEX-50).

Net Migration vs. Population Change

In November 2023, the Office of the State Treasurer released a report citing U.S. Census data for calendar year 2022 on net U.S. migration into Vermont.⁵ For the second year in a row, Vermont showed more domestic in-migration than domestic out-migration, meaning that more people from other U.S. states moved into Vermont than people moved out of Vermont to live in other states. In calendar year 2022, Vermont gained nearly 3,000 new residents from other states, following a much larger influx of about 14,500 new residents in 2021. However, those numbers represent just one part of the story of how Vermont's population is changing.

The Census Bureau released estimates of the components of resident population change between July 1, 2021, and July 1, 2022 (see Table 2). The timeframe is different, but the estimates offer a more complete explanation of the overall change in Vermont's population. Between July 1, 2021, and July 1, 2022, births to Vermont residents were 5,342 but the number of deaths was 7,148. As a result, the "natural change," defined as births minus deaths, was -1,806. Net migration offset that decline, however. Net domestic migration was estimated at 1,141 and net international migration was estimated at 1,012.⁶ In total, Vermont received 2,153 net migrants. After including a residual that is not explained and combining the natural change with net migration, the estimated increase in Vermont's overall population between July 1, 2021, and July 1, 2022, was 92.

To get an approximate sense of the change in Vermont's population since the start of the COVID pandemic, one can look at the cumulative estimates of population change between April 1, 2020, and July 1, 2022. The natural change over those 27 months was -3,428 owing to a low number of births and a high number of deaths. However, estimated net migration from both international and domestic areas was greater than 7,300, and the estimated increase in Vermont's population was almost 4,000.

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, 2021 to July 1, 2022							
Vermont	92	-1,806	5,342	7,148	2,153	1,012	1,141
Cumulative Estimates: April 1, 2020 to July 1, 2022							
Vermont	3,979	-3,428	11,714	15,142	7,341	1,448	5,893
* Includes an unexplained residual.							
Source: U.S. Census Bureau, Components of Resident Population Change in Vermont, March 2023.							

Considerations for Legislators

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

- **Is Vermont's aging situation different from the United States overall?** One way to look at the quantitative impact of our aging economy is to examine the number of young and old people relative

⁵ <https://www.vermonttreasurer.gov/sites/treasurer/files/documents/US%20Census%20Bureau%20State-to-State%20Migration%20Flows.pdf>

⁶ The November 2023 Federal Reserve Bank of Boston brief *Recent Migration and Visa Trends in New England and Implications for the Labor Market* looks at the foreign-born population in New England states from 2010 to 2021 and reports low shares of foreign-born residents in Vermont. The brief is based on estimates from the 2021 American Community Survey. It should be noted that while the 2022 American Community Survey shows the share of foreign-born residents in Vermont remains low, the number of net foreign-born migrants is significantly greater than in the 2021 estimates. <https://www.bostonfed.org/publications/new-england-public-policy-center-regional-briefs/2023/recent-migration-and-visa-trends-in-new-england-and-implications-for-the-labor-market.aspx>.

to the number of working-age people – sometimes called the dependency ratio. The United Nations defines the overall ratio as the number of people younger than 15 and 65 or older relative to the number of people ages 15 to 64. Population ratios can help illustrate broad trends in needs for social support.

- *Ratio of young to working age:* In 2010, about 24 children ages 14 and under lived in Vermont per 100 people ages 15 through 64 (see Table 3). In 2022, about 23 children lived in the state per 100 people ages 15 through 64. The ratios in the United States overall were higher, at about 30 in 2010 and 28 in 2022.
- *Ratio of old to working age:* Vermont's ratio of the number of people ages 65 and older compared to the number of working-age people has changed significantly relative to the U.S. ratio. In 2010, Vermont's ratio stood at about 21 but rose to almost 32 in 2022. The ratio for the U.S. as a whole rose from about 19.5 to more than 26.
- *Overall ratio:* Counting the young and old together and comparing that sum to the working-age population reinforces the idea that Vermont's demographics have changed markedly relative to the U.S. in the last 12 years. Vermont's overall ratio was roughly 45.5 in 2010, well below the national ratio of 49. In 2022, it rose to 54.7, surpassing the U.S. ratio of 54.5.

Table 3. Population Ratios in Vermont and the U.S., 2010 and 2022			
	2010	2022	Change, 2022 vs 2010
Young/working age			
VT	24.2	22.8	-5.8%
U.S.	30.2	28.2	-6.6%
Old/working age			
VT	21.3	31.9	49.8%
U.S.	19.4	26.3	35.6%
(Y+O)/working age			
VT	45.4	54.7	20.4%
U.S.	49.0	54.5	11.3%
Notes: Y = Young, under 15 years of age; O = Old, ages 65 and older; Working age = ages 15 through 64; ratio is per 100 working-age people.			
Sources: Author's calculations for Vermont using U.S. Census data, and World Bank for the U.S. using United Nations population data.			

- **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).⁷ As the large baby boomer cohort continues to age out of the higher earnings age groups, income tax revenue may decline.
 - Sales tax collections may also decline, 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.⁸
- **How can Vermont's economy best adapt to its changing demographics?** 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. Potential policy options include:
 - Increasing in-migration of young working-age people, either through raising the cap on

⁷ Vermont Joint Fiscal Office. The Vermont Tax Study, 2005-2015.

<https://jfo.vermont.gov/assets/docs/reports/6ca6f1666c/2017-10-Year-Tax-Study-Full-Report-Compressed.pdf>

⁸ The Vermont Tax Study, 2005-2015, Table 31.

- international migrants or attracting more workers from other states.
- Investing in infrastructure such as health care, broadband, housing, child care, education, and climate change adaptation and mitigation strategies to entice workers from other states.
 - Planning 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. Recent 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.⁹ 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.
 - Updating support systems and programs such as adult day care centers that strengthen community to mitigate the multiple challenges older adults faced during the pandemic, 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.¹⁰ Five states (California, Colorado, Massachusetts, Minnesota, and Texas) have developed “master plans” that lay out long-term, comprehensive approaches to support older adults’ social, physical, and economic well-being.

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<https://ljfo.vermont.gov/assets/docs/reports/6ca6f1666c/2017-10-Year-Tax-Study-Full-Report-Compressed.pdf>

⁹ Johnson, Richard W. “What is the Lifetime Risk of Needing and Receiving Long-Term Services and Supports?” 2019.

¹⁰ 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