



The Costs of Living, Working and Investing in Vermont

(From Commerce Connection Issue: August 2016)

Vermont is a great place to live, work and play. The quality of life keeps people here, draws people home. Why are employers having such a hard time filling jobs? Why don't more young people choose Vermont today? For Vermont to work for working Vermonters, we have to make sure the "value proposition" works too. This means focusing on what it takes to live well in Vermont, given wages and cost of living.

In Vermont even the hottest August days end in cool evenings, reminding us to enjoy the fleeting summer. Visitors who come here to enjoy some fresh air and fresh food remind us how lucky we are to have nature at our doorstep every day. We encourage people to think of Vermont as a place to play, but also to live and work. We need more young people, more talent, and in many towns just more residents.

The allure of Vermont endures as a place that offers a balance for working people and working families, a place where you can mountain bike before work each day, snowmobile all weekend, and raise healthy and happy children in a safe and beautiful setting. This is a place to set down roots, buy a home, start a business, build a life. But for working Vermonters the numbers have to work. Many economic conversations focus on the "value proposition" for retirees or affluent residents, whether state tax code is pushing them to Florida, or not. Other economic conversations focus on raising the floor for Vermonters living in poverty, by moving wages and benefits forward.

The size, stability and mobility of households in the middle of the income ladder gets very little airtime. Yet, Vermont's economic future will be built on the success, or struggles, of average people. In the wake of news about yet another revenue downgrade, where disappointing state income tax revenues once again will force last-minute cuts, we must question Vermont's increasing reliance on a small base of affluent taxpayers. It brings risk, risk we can mitigate with a deeper and stronger base of earners.

But right now, the value proposition for working Vermonters is weak. Too many working people are still unable to live well in Vermont. It's time to pay attention to the equations that drive the choices of real people:

- [Housing](#) for renters and home-buyers takes a huge bite out of earnings
- Yet [wages are low](#), in every sector
- Childcare is scarce, and expensive – see the latest report from [LetsGrowKids](#)
- And the complex tax code designed to raise the floor on quality of life means Vermont workers need [not just 1 raise to improve their quality of life](#), they may need 10-20.

Vermont needs to focus on the economic success of those who work here, not just those who live and play in Vermont. In a slow-growth economy we have to pay attention to both sides of the equation –

improving economic activity as well as the cost of living. The Futures Project is about looking ahead to the Vermont our children will live in. Most of Vermont is nearing retirement. That perspective is limiting our vision. We need to plan for a child born today to have more than a higher minimum wage.

Too many people can't make numbers work to live in Vermont. While we argue about whether retirees are coming or going, young adults are going. They are choosing places where the tradeoffs don't put them in the red. Whether it's paying off student loans, paying off a home, or building towards their own retirement, working people are making hard choices in life, and we're making it hard to choose Vermont. It's not because they don't 'get it'. It's because we don't get it.