



**BRATTLEBORO
DEVELOPMENT
CREDIT CORPORATION**

REPORT



Brattleboro Semi-decennial Economic Update

March 2024

Brattleboro Development Credit Corporation

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This economic overview has been prepared by Southeastern Vermont Economic Development Strategies, by Brattleboro Development Credit Corporation staff, at the request of the Brattleboro Selectboard. All data used in this report is from publicly available state or federal government sources. Additional detail can be found through the state and federal agencies that collect the data and conduct routine analysis which provides an understanding of trends and benchmarks. This includes:

- The Vermont Department of Health <https://www.healthvermont.gov/stats/vital-records-population-data/vermont-population-estimates>
- The Vermont Department of Labor <https://labor.vermont.gov/labor-market-information> , <http://www.vtلمي.info/profile2023.pdf>
- The Bureau of Labor Statistics <https://www.bls.gov/>
- U.S. Census and American Community Survey <https://data.census.gov/>
- Windham Regional Commission <http://www.windhamregional.org/>
- Vermont Futures Project <https://vtfuturesproject.org/data-dashboards/>
- VHFA Vermont Housing Finance Agency <https://housingdata.org/profile/snapshot>
- Census On The Map <https://onthemap.ces.census.gov/>
- BDCC publishes regional reports such as a Regional Data Report and Hiring Needs Assessments which focus on southeastern Vermont <https://brattleborodevelopment.com/publications/>

The Town of Brattleboro may consider additional economic development analysis, such as an overview of changes in local sources of revenue over time. Changes in local revenue result from changes in demographics and the marketplace, as well as state and federal policies. At the local level there is always a need to adjust local policy to keep up with changes in the market, and allow revenues to keep up with inflation and demand for services. For instance, over decades the share of property taxes generated by residential properties has grown larger in relation to non-residential property tax revenue. Can this be rebalanced? Are methods of commercial property assessment aligned with the current market realities? Most importantly, is the town creating incentives that encourage the types of activity and investment the town wants more of, or do local practices reward disinvestment and speculation?

Economic development is a broad term, and it means different things at different scales. For instance, most taxes accrue to state and federal levels, and so while job creation is important for local people to thrive, the tax revenues from wages or most business activity do not directly serve municipal level budgets. There are some exceptions, the most obvious being the 1% tax and property taxes. Local decisions help to shape the long-term strength, or weakness, of the base from which those local taxes flow. Local officials may consider how local projects, development and business activity are affected by such factors as licensing, zoning, infrastructure and other local government actions.

In planning for the future, it is incumbent upon local decision-makers to understand the needs of today, and forecast the needs of tomorrow. This report points to factors that will drive needs, and costs, like changing demographics and demand for related services. It provides an array of baseline information to inform such discussions, but by no means represents the full range of analysis and scenarios which must be thoughtfully considered in order to effectively steward the resources of this or any community. It's important to periodically revisit the demographic data to question whether services and structures are aligned. For instance, as birth rates nudge gently upwards with millennial family formation, are local health and educational institutions ready to welcome this trend and meet maternal and family health needs? As we achieve peak retirement, is the lack of elder-housing options forcing seniors to choose between staying at home and at risk, or leaving their community entirely? Data tells us where we're headed, but local leaders have choices as to how we respond and guide the future.

What is missing entirely from this report is any attempt to measure the cost and benefits of certain decisions, despite the importance of such analysis. We encourage Brattleboro to consider a fiscal impact analysis framework to inform decisions. This can be applied to specific projects, but also to larger goals. For instance, if the town enables development 500+ units of housing, a need determined by Brattleboro's recent housing study, what might be the costs and benefits, needs and changes. Housing geared to families will impact the school population. Housing geared to seniors will impact emergency services and healthcare. Housing has the potential to increase the local consumer base which drives revenue like rooms and meals. It can support local businesses and services by increasing workforce needed to fill jobs.

What is also missing from this report are big picture economic trends and changes that are difficult to measure or control, such as globalism and income inequality; changes in company ownership from local to distant management, from a local family to private equity. This report ignores interest rates and financialization of things like housing markets. These factors are beyond our scope, but even in this quiet corner of New England, we feel the effects of those major trends. The changes are visible in the data. Simple data points can signal a major qualitative shift that affects opportunities here, and thus the quality of life. A national reduction of manufacturing jobs and growth in the service sector has meant lower wages, fewer pensions, less stability. The downsizing of higher education nationally has drained jobs from southern Vermont. Even company buyouts where production stayed in Brattleboro has generally led to higher-paid management roles exiting the region.

Information matters. Data-driven action has made it possible for BDCC to attract resources, build capacity, and through hundreds of initiatives both large and small, to make a real difference in the regional economy. This report replaces the 2018 report, composed during the initial era of recovery from the closure of Vermont Yankee and investment in job and wage growth directed to that end. This new report, published early 2024, covers a period leading up to, through pandemic and post-pandemic. While there is a lag in the economic data, recovery is visible nonetheless. Major trends have not changed – we

still need people and workers. The workforce has been dropping since 2010. But other critical economic factors, such as high interest rates and super-high housing costs, weren't on the radar in 2018.

This report is the result of conversations – with Brattleboro residents and leaders and people across the region. It's written for Brattleboro, mindful of statewide discussions and national rural policy topics. Please join the conversation. We welcome your questions, suggestions, and comments!

Southeastern Vermont Economic Development Strategies

Since 2011 the grassroots organization, Southeastern Vermont Economic Development Strategies (SeVEDS) has developed research, data, education, capacity and planning to increase the ability of southeastern Vermont communities and leaders to understand and respond to long-term economic challenges. SeVEDS is an affiliated entity of Brattleboro Development Credit Corporation (BDCC) which has enabled the Windham region to leverage modest state investment in economic and community development in order to generate the research, planning, and programs necessary for a proactive approach to rural regional economic development.

SeVEDS helps the 27 communities of the Windham region by:

- Leading the development of a five-year plan for the regional economy. In 2024 a new Southern Vermont Comprehensive Economic Development Strategies (CEDS) will be created;
- Helping community leaders understand economic conditions and development through staff visits to Selectboards and capacity building programs like the Southern Vermont Economy Project;
- Building grassroots energy for economic and community development through small conferences, the annual Southern Vermont Economy Summit, and hundreds of other small group and individual meetings per year;
- Designing, identifying, and promoting regional projects via the annual CEDS project process;
- Fostering partnerships to advance CEDS goals, including business and workforce development, connectivity and immigration partnerships;
- Implementing programs and projects through BDCC to achieve the CEDS objectives.
- To learn more please visit SovermontZone.com.

The CEDS guides BDCC & SeVEDS to focus on:

- Entrepreneurship and employment that offer strong wages and opportunity for advancement;
- Attracting, retaining and upskilling the workforce to fit our economy needs;
- Wraparound support for entrepreneurs from startup to financing;

- Improving business infrastructure such as capital and facilities;
- Increased capacity and funds for regional community and economic development projects;
- Disaster recovery and resilience in the face of weather and climate events, economic shifts such as the Vermont Yankee nuclear plant closure, and crises like the COVID-19 pandemic.

For more information on BDCC & SeVEDS, from planning to programs, please refer to the most recent Annual Report always available at www.brattleborodevelopment.com, where you can also subscribe to the newsletter and read up on recent activities in the blog.

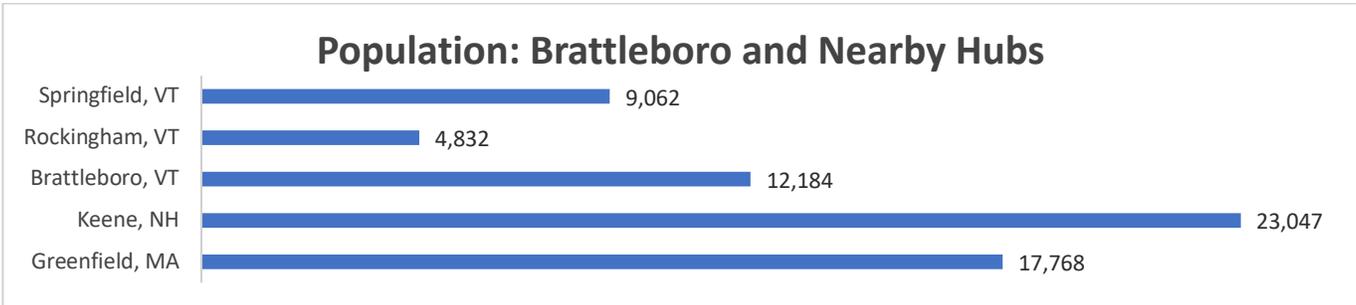
BDCC's Mission: The primary objective of the BDCC is to invest in the drivers of the regional economy so that people, businesses and communities in southern Vermont can thrive.

SeVEDS Mission: SeVEDS develops long-term strategies that generate growth and prosperity in our regional economy.

Brattleboro: Economic Overview & Regional Context

Brattleboro is a cultural, educational, service, residential, transportation, and economic hub for southeastern Vermont. It is part of a Southern Vermont Economic Zone designated by the Vermont legislature. The Zone includes both Bennington and Windham Counties, and the Town of Weston. The Zone designation was intended to highlight shared regional economic challenges, including low wages relative to neighboring counties and a population that’s aging even faster than the state overall. The region’s economic plan, the Southern Vermont Comprehensive Economic Development Strategy (CEDS) is created for the Zone, by regional agencies who are partners in community and economic development.

Brattleboro is part of a multi-state economic region which shares services, amenities, and workforce with adjacent counties in New Hampshire and Vermont. Brattleboro is the largest town in Windham County, but smaller in comparison with other nearby economic hubs like Greenfield (MA), Keene (NH), and Springfield (VT). Brattleboro’s population rose from 12,046 to 12,184 between the 2010 and 2020 census. The county’s total population is 45,842, and so Brattleboro residents represent a significant share of the region’s people.

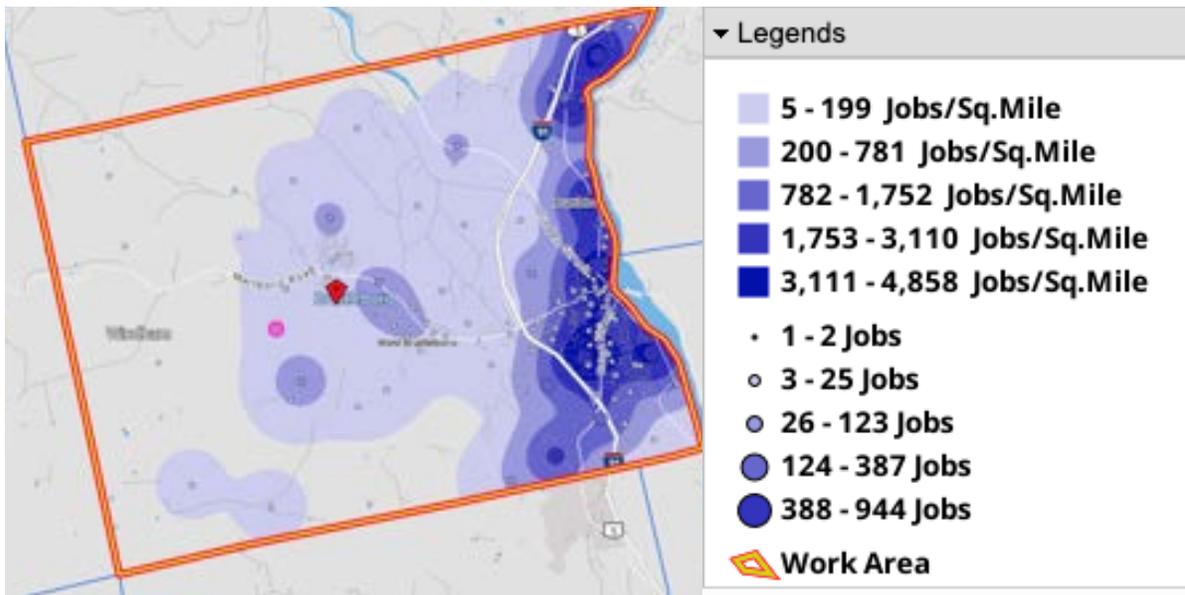


Source: 2020 Decennial Census Data

As with resort areas to the west, Brattleboro’s economy is enriched and enlivened by visitors and second homeowners, attracted by the region’s recreational and cultural amenities, and by the hospitality industry particularly in nearby resort areas. Brattleboro’s economy is relatively diversified. That economic diversity is best illustrated in subsequent sections which show employment data. It is a double edged sword, protecting the region from shocks to one sector, but making us vulnerable on multiple fronts to shifts in sectors like power, higher education, manufacturing, the ski industry and so on.

Brattleboro is many things to many people. It is, and always has been, a regional service center essential to the well-being of many. Whether for youth activities or elder care, commerce or medical services, Brattleboro provides services and amenities to people from across the region. It is the locus of most of the region’s apartments and affordable housing. This housing diversity supports a greater diversity of households than most towns can boast. More detail on this comes later in the report.

Brattleboro – Jobs Per Square Mile



Source: Census OnTheMap data <https://onthemap.ces.census.gov/>

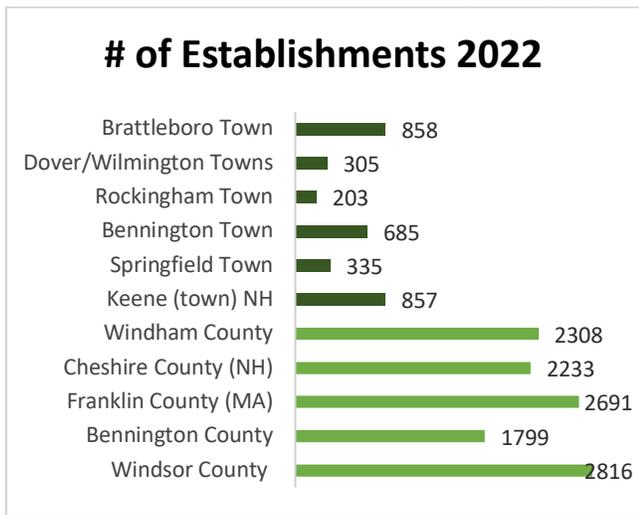
In the map of Brattleboro above, darker areas show a higher concentration of jobs. Most local jobs are concentrated between Interstate 91 and the Connecticut River. This reflects historic patterns of growth - the historic center of town, the river as a crucial means of moving goods and people in the past, and the highway axis which follows the river valley connecting the region to points north and south.

We are long past a time when access to waterways and water power dictated the locus of factories, sawmills and commerce, but Brattleboro's economy is still built upon that historic footprint. Today those patterns are reinforced by the location of critical infrastructure (water, sewer, telecommunications) and highway exits, public transportation and developable land (a function of topography, and Act 250).

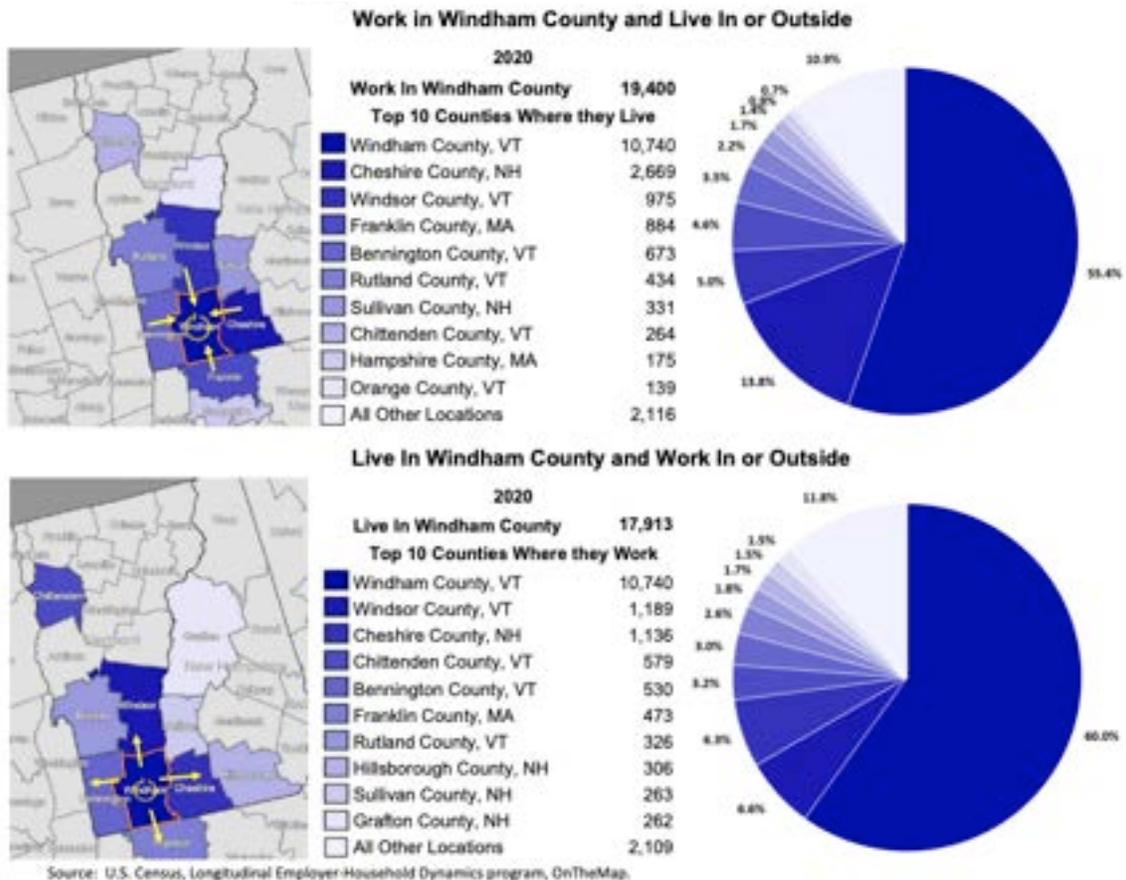
The town is home to a large number of establishments which provide employment to residents from all over the region, in sectors that include manufacturing, healthcare, banking, trades and more. The Windham Regional Commission (WRC) describes Brattleboro as the "regional employment center" - about 30% of the region's residents are employed here. Brattleboro is home to nearly half the jobs in Windham County: There are 858 employer establishments (828 of which are private) with 9,687 jobs in Brattleboro, versus 2,308 employers with 19,637 jobs in the county as a whole. The county unemployment rate is 2.5%, which is considered "full employment" (source: employment and employer data are from the Vermont Department of Labor at vtlmi.info).

Other regional employment hubs are Rockingham and Westminister, and the resort areas around Mount Snow and Stratton. The remaining towns provide about 10-15% of employment for the Windham region, much in local government or schools, agriculture and forestry.

Brattleboro is part of a larger tri-state economic region with well over 100,000 jobs in commutable distance. This is without considering the Springfield, MA and the Hanover, NH region.



Sources: vtlmi.info, bls.gov and nhes.nh.gov/elmi

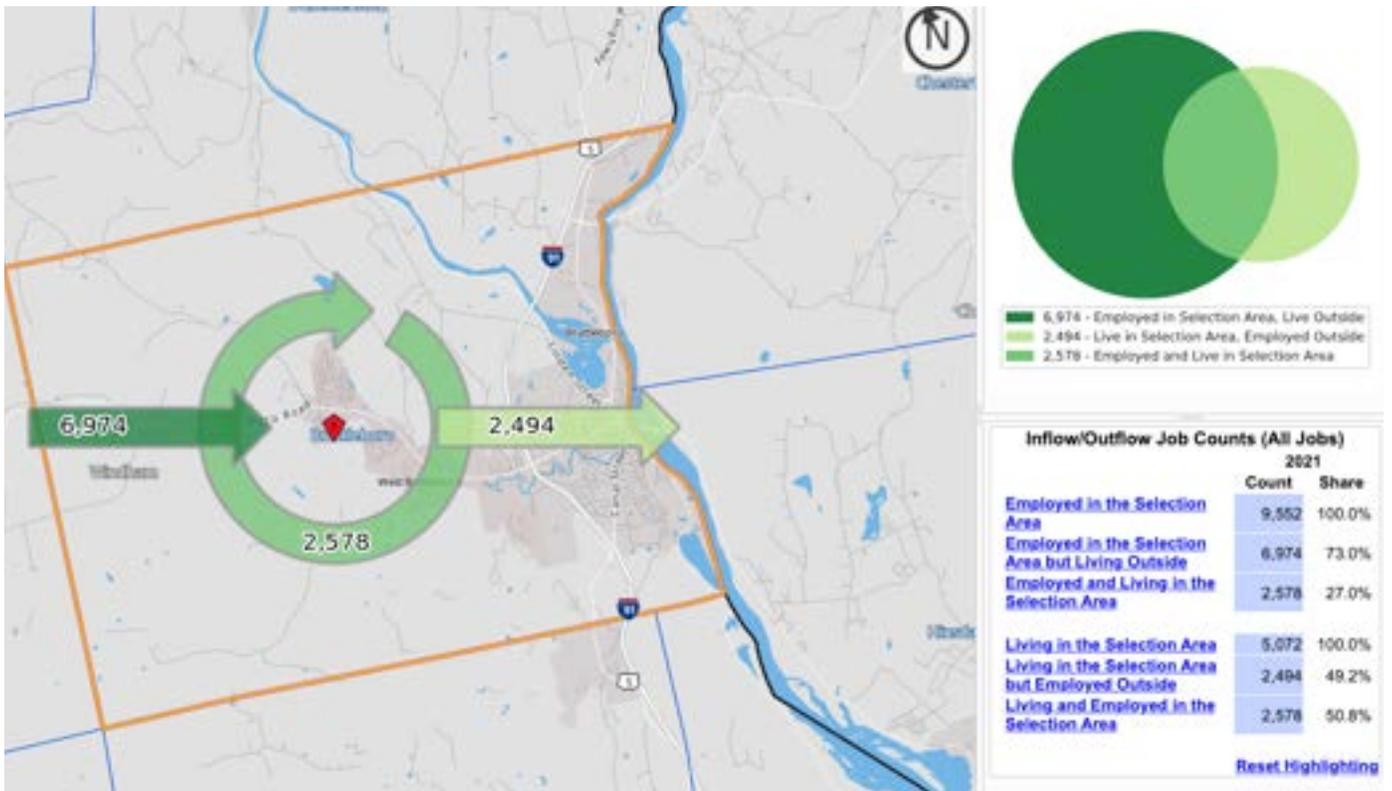


Source: U.S. Census OnTheMap, Image pulled from <http://www.vtmi.info/profile2023.pdf>

The images on the previous page illustrate dynamics of commuter flows within, in, and out of the region. It shows the large proportion of Windham county residents who leave the region for work, and the large number of people who commute in from adjacent areas: Cheshire County, NH; Franklin County, MA; and Windsor and Bennington Counties, VT.

Below, similar data presented for just the town of Brattleboro helps to make sense of a difficult concept: grasping both the employment of Brattleboro residents, and employment within Brattleboro.

- There are people who live and work in Brattleboro: 2,578
- There are people who live elsewhere, and work in Brattleboro: 6,974
- There are people who live in Brattleboro, and work elsewhere: 2,494

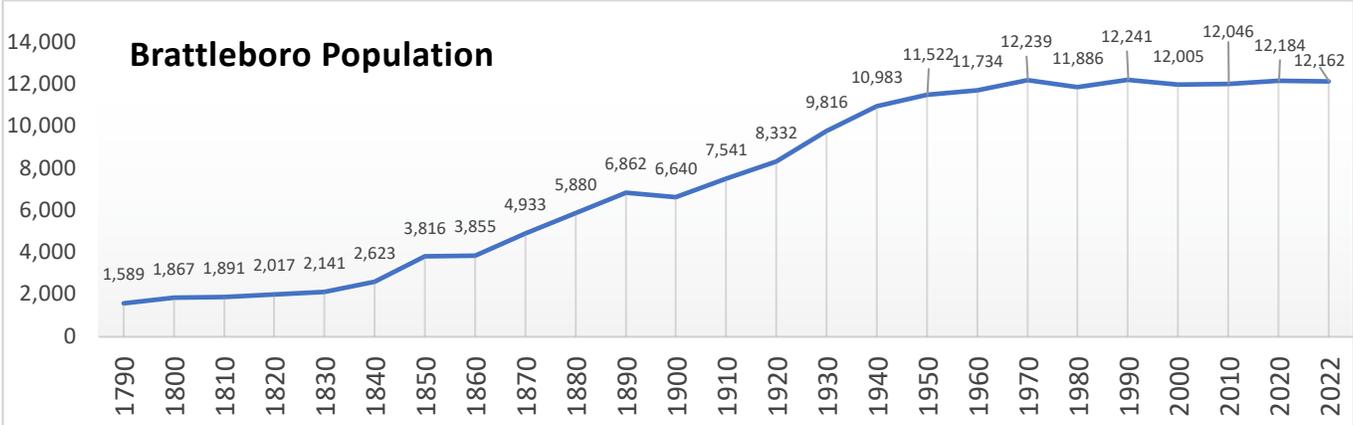


Source: U.S. Census OnTheMap

There are also thousands of people who visit Brattleboro for services, or enjoyment. These people come from across the region and from far away. Organizations that focus on marketing and visitor experience such as the Chamber and Downtown Business Association are expert in understanding the data and impacts relating to those dynamics. The character of the town is an important factor in attracting and retaining businesses, entrepreneurs and talent.

Demographic Detail

The town of Brattleboro is the largest municipality in Windham County, Vermont. The population count for the 2020 census showed 12,184 residents. The 2022 American Community Survey estimate is slightly lower - 12,162. It's safe to say that Brattleboro's population has been nearly flat since it achieved an historic peak over 50 years ago around 1970. Prior to that, the town had been growing steadily: From 1900 to 1970 the population doubled from 6,650 to 12,239.



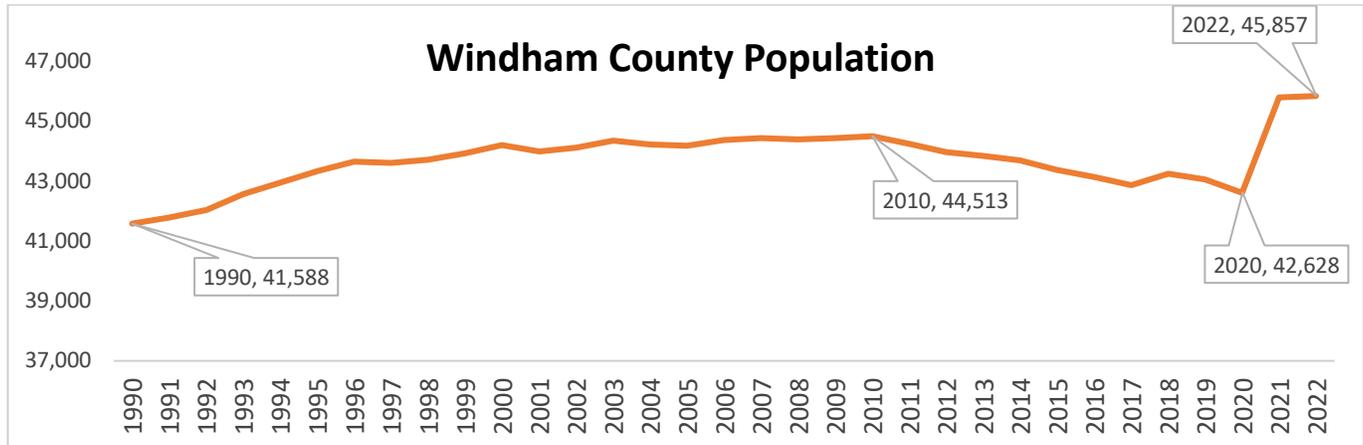
Sources: census counts and American Community Survey 5 year data which can deviate slightly from decennial census

While Brattleboro's population leveled off around 1970, some towns continued to see population growth which drove county-level population growth. Most growing towns have been resort communities with a more active housing market such as Dover and Stratton. By 2000 the county as a whole had stopped growing, with a decline in population that began around 2010. During this period SEVEDS took shape as an effort to understand and address the economic and demographic decline of southern Vermont. Guided by the CEDS, regional partners have implemented a range of strategies to welcome newcomers, recruit talent, retain youth, foster entrepreneurs and invest in the quality of place that draws people to the region. This work has paid off: **In the most recent (2020) census, Windham County gained population, one of only a few Vermont counties to do so.**

To provide additional context, New England is gaining population, so it makes sense that Windham County has grown, and there is population pressure on Brattleboro (source: <https://carsey.unh.edu/publication/latest-data-show-all-new-england-states-are-gaining-population>).

Further evidence of Vermont's appeal: Despite barriers for newcomers and residents alike, in 2022 Vermont had the largest number of inbound moves in the country according to the annual United Van Lines Survey. This survey also tells us a bit about the respondents, obviously a subcategory of in-migrants who utilize professional moving services, but nonetheless informative. Of those moving to Vermont 38% were 65+, but the rest were working age. 20% moved to Vermont for a job. None came to Vermont due

to cost advantages. Nearly half (48%) made the decision based on family or lifestyle (*source: <https://www.unitedvanlines.com/newsroom/movers-study-2022>*). Per these studies and trends, the town should be growing more, but housing may be a rate limiter.



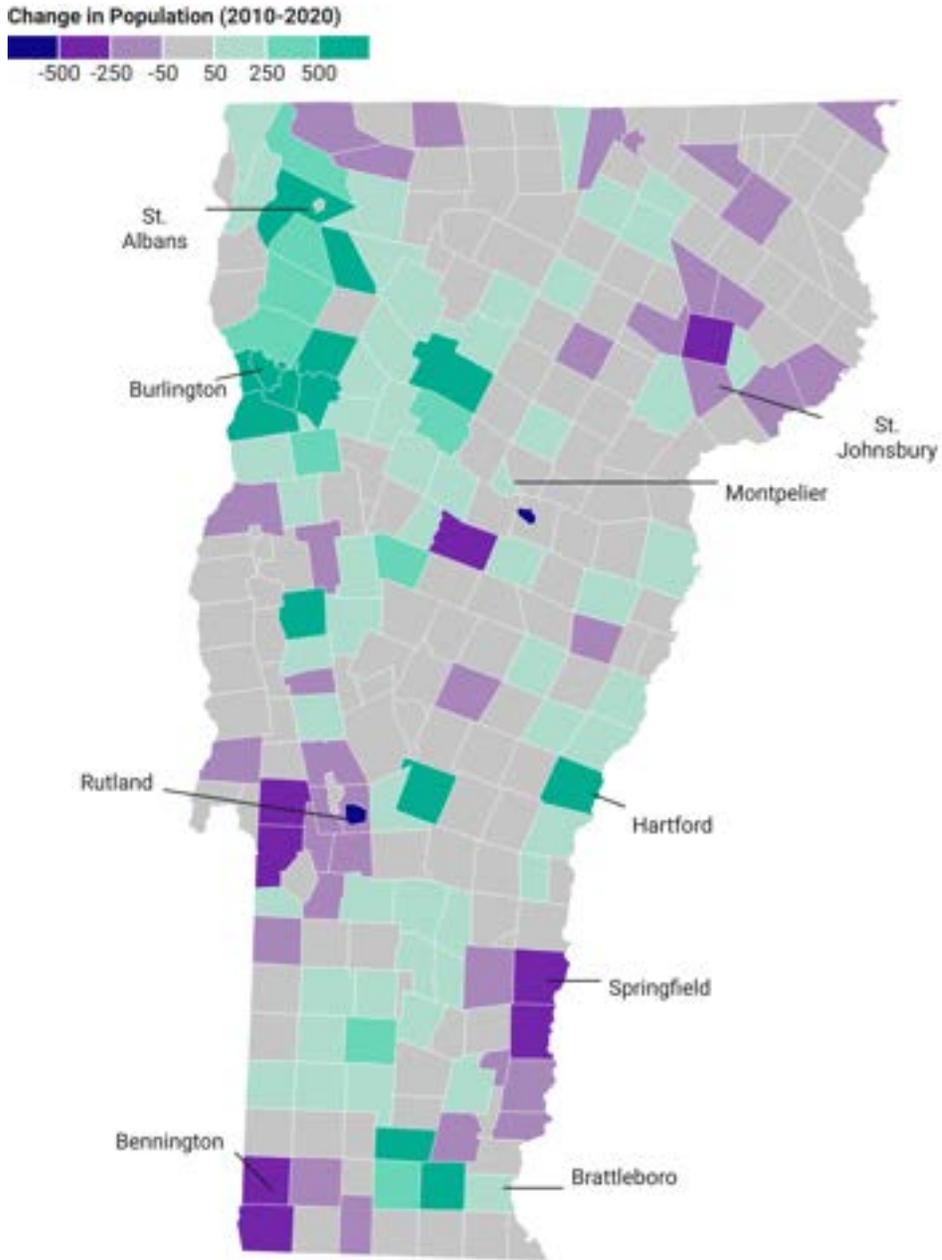
Source: Census and American Community Survey

A look at population changes town-by-town shows how dynamics at the local level can diverge. In recent years some towns have been losing population, some gaining, and some staying the same. For example, Readsboro, VT had 1,252 residents in 1910, but only 702 in 2020 (falling further from 763 in 2010). Conversely, Dummerston had 643 people in 1910 but by 2010 1,865 residents in 2020 (one more than 2010, an all-time high, although in 1810 it was close at 1,704 residents). Most other towns in the region have been ebbing away, reflecting subtle changes within households like children leaving home, or the loss of a partner and the overall national trend to more single person households.

Towns that saw substantial population gains in the 2020 census were Dover, Londonderry, Marlboro, Stratton, Wilmington and Winhall. We know that Covid had a big effect in towns with substantial second / seasonal housing stock. During Covid-19 there were significant in-migration dynamics readily observed, but difficult to quantify. In briefest terms, families seeking safety came to occupy seasonal and second homes, driving up population and school census in communities with housing stock that could accommodate this interest. School enrollment data from this time confirmed the trends.

Will these dynamics, which happened to fall during a census year, persist? Time will tell. The current American Community Survey data still shows significant population growth in some communities around Stratton and Mount Snow, perhaps households able to stay on after relocating during the pandemic. Based on census data from those towns, we see that many who came during the pandemic or even subsequently as remote workers, are likely to be higher income households. This is driving concern about the increasingly acute regional housing shortage and housing costs. However, the roots of these problems long pre-date the pandemic.

Historic population trends are influenced by the economy, in part a function of national dynamics, from westward expansion to energy or trade policy. Many Vermonters arrived as part of a counter-culture movement, driving growth from the 1960s to 1990s. This change spurred action to preserve towns, land, and farms. While Vermont growth slowed, the reality is different town by town, one reason for divergent perceptions about growth and change.



Map: vcgi.vermont.gov • Source: US Census • Created with Datavrapper

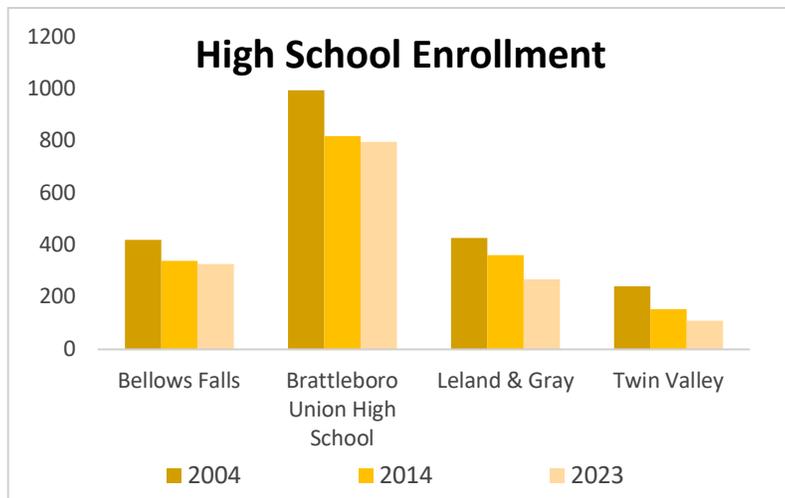
Source Vermont Center for Geographic Information <https://vcgi.vermont.gov/data-release/2020-census-data>

There are economic and community planning decisions that can shape future outcomes. Young teachers and families with young children will go where they can find jobs, housing and childcare. Elders will remain in communities where they can live safely and well. Think of the map in the earlier section, showing how jobs tend to lie along the river corridor, but are also located along the east-west axis where we find infrastructure and road networks. Where activity occurs in the future – commercial or residential – is determined today by decisions to locate or expand infrastructure necessary to support development.

Population changes here mirror much of rural America; aging population, outmigration of talent, child poverty and addiction. Yet Brattleboro has many attributes other places lack, including ready access to the rest of the northeast, world-class recreation and cultural amenities. Relocation and retention marketing programs leverage these assets to attract newcomers to the region, and urge young Vermonters to consider the value proposition of building their career in Vermont. What can Brattleboro

do to help welcome those who want to come, or stay?

Even without growth, there is change. Since 1990 the town’s population has become older on average, with birthrates and school enrollment falling. With an aging population, retirements are increasing, which has important implications for workforce availability. Low birthrates mean shrinking school-age population. Population replacement, or growth, happens by adding new people to a household (births, adoptions, fostering)



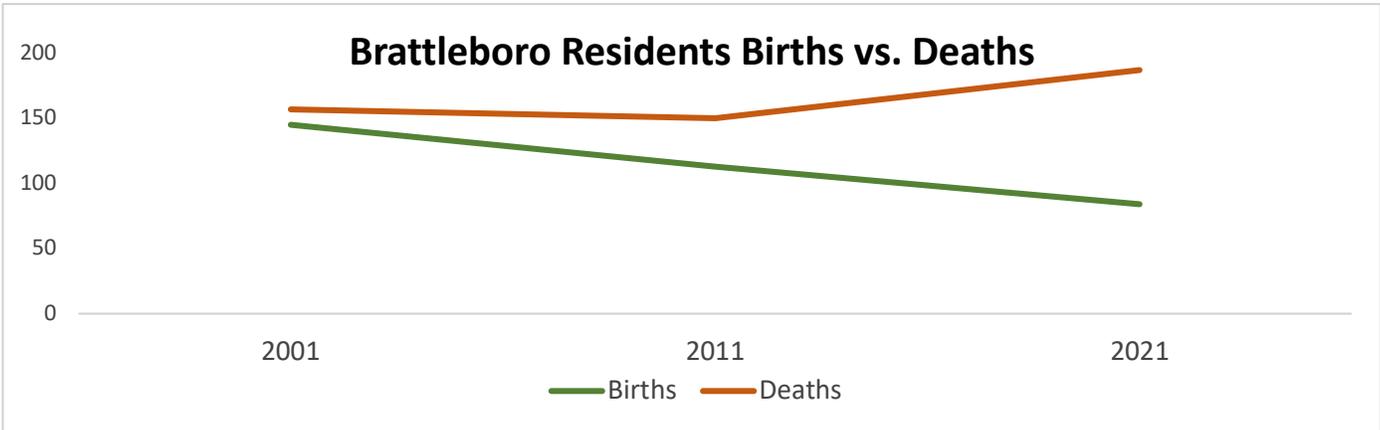
Source Vermont Department of Education <https://education.vermont.gov/data-and-reporting/vermont-education-dashboard/vermont-education-dashboard-enrollment>

or by adding new households to a community through in-migration from outside the region. Low housing vacancy rates impede both population growth from people moving into the region, and retention of young people who want to set up their own household.

Changes within the population have effects on many systems: planning for K-12 and childcare demand; workforce training and housing requirements; and demand for social and emergency services. The interplay of these factors is particularly challenging. For instance, when a regional school filled nearly 80 teaching jobs (people want to work in Vermont!) but many new hires dropped out, due to the housing shortage. Hospitals and care facilities face growing demand and labor shortages, straining providers and driving up costs through solutions like per diem carers. Whether you’re trying to find a General Practitioner or a daycare spot, these subtle demographic shifts have very tangible consequences.

In 2021 Brattleboro had 84 births and 187 deaths (residents).
Windham county also had fewer births (341) than deaths (540).
source: VT Department of Health

For over two decades in Brattleboro, deaths have outpaced births. This ratio is a major “driver” of population, influencing whether the population is waxing or waning. We can infer the causes of this change from the makeup of the population. More older residents means fewer people of childbearing years, and more reaching the end of their life. However, it’s also important to keep an eye out for leading indicators of change. While national headlines tell us that millennials (young adults reaching the age when family formation and childbearing tend to rise) are not opting to have kids, Vermont may be attracting more people in the family formation life stage *and who are choosing to have kids*. A miniscule share of young adults who are atypical can have an enormous influence on Brattleboro. A mere 100 births in 2024 would more than double the town birth rate, and bring Brattleboro close to population replacement level. Fifty new housing units geared to young families may generate just such a change, as could 50 housing units for seniors to “age in place” in their community while passing their home along to younger people.



Source: Vermont Department of Health Vital Records Annual Reports www.healthvermont.gov

As the next chart illustrates, over the past decade population trends have been clear – growth only in the 65+ population, loss in younger cohorts. However, population projections are based on past trends and assumptions that no major population drivers will appear in the near future. They do not take into account factors that may change those trends, such as new economic conditions or housing.

Additionally, the planning horizon of 6 years is inadequate to the needs of a municipality which needs to forecast changing demand for services. For instance, birth rates today indicate childcare and school needs with 18+ years of impact. Rising needs for elder care today may, or may not, be sustained 20 years hence as a younger population bulge nationally replaces the boomer as the dominant force.

Brattleboro is impacted by larger decisions about whether to divest or invest in services delivered to vulnerable people in other communities. Whether the result of deliberate policy choices to “regionalize” or centralize, or a de facto concentration of services in hub communities due to resource constraints in surrounding other towns, Brattleboro must respond accordingly.

Age Cohort Changes and Projections for Windham County, Vermont

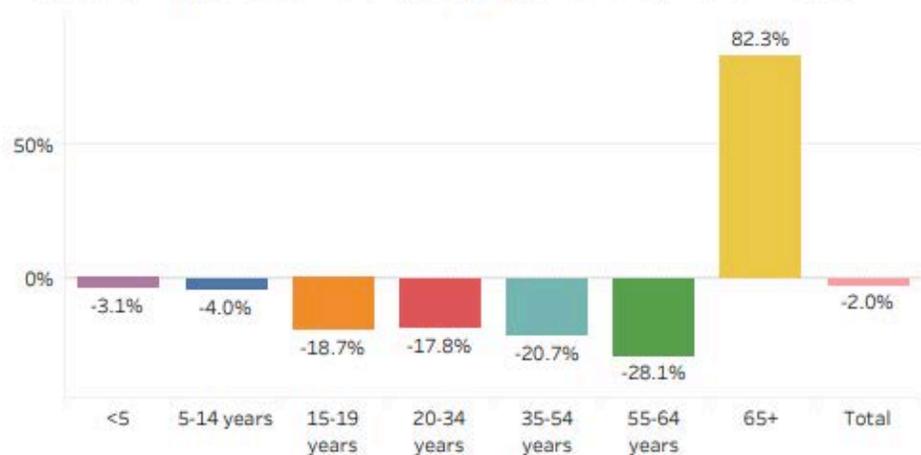
	2011	2021	Change
Percent under 5 years	4.9%	4.3%	-0.6%
Percent 5 to 19 years	17.9%	15.9%	-2.0%
Percent 20 to 34 years	16.1%	16.0%	-0.1%
Percent 35 to 64 years	45.4%	40.6%	-4.8%
Percent 65 years and over	15.8%	23.2%	7.4%

Source: for both Vermont Department of Labor <http://www.vtلمي.info/profile2023.pdf>

Population Projections 2030²

<5	2,081
5-14 years	4,773
15-19 years	2,309
20-34 years	5,877
35-54 years	10,214
55-64 years	5,289
65+	13,067
Total	43,610

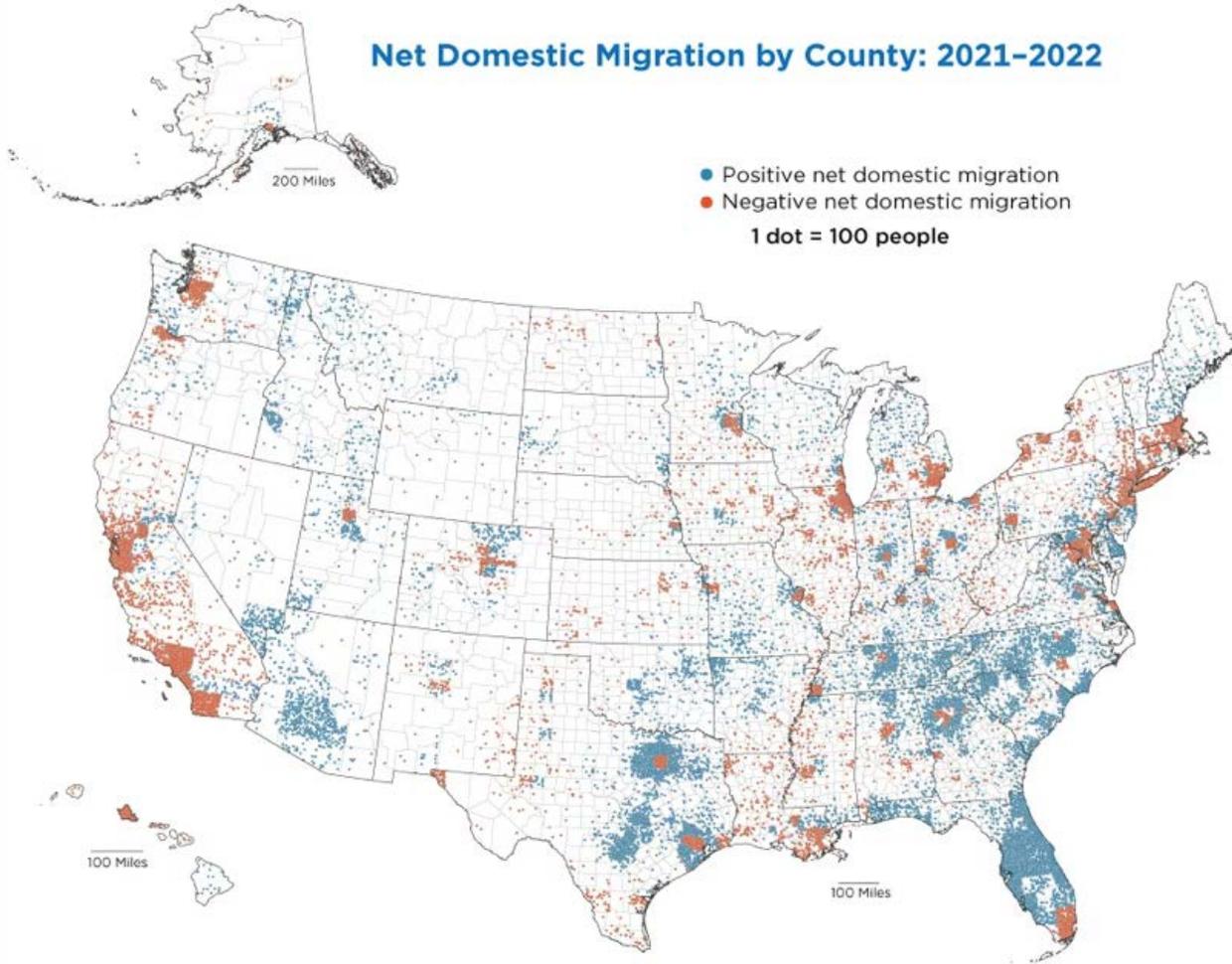
Projected Population Change by Age Cohort, 2010 - 2030



1. Decennial Census total population counts, <https://data.census.gov/cedsci/> ; 2017-2021 ACS 5-year estimates
2. Percent changes are calculated as simple percent changes and are not on an annual basis.
3. Land area: 2020 Decennial Census, Population: 2017-2021 ACS 5-year estimates

The high number of retirements occurring, and projected for the coming years, represents a challenge for organizations of all types, from Selectboards to banks and schools. It’s also an opportunity. Younger workers may find an increased ability to achieve career and wage gains, if we can welcome or retain those workers and invest in the training and education needed.

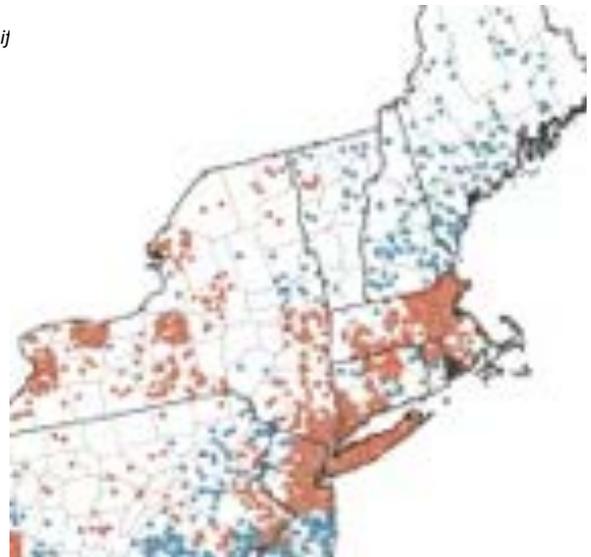
Net Domestic Migration by County: 2021-2022



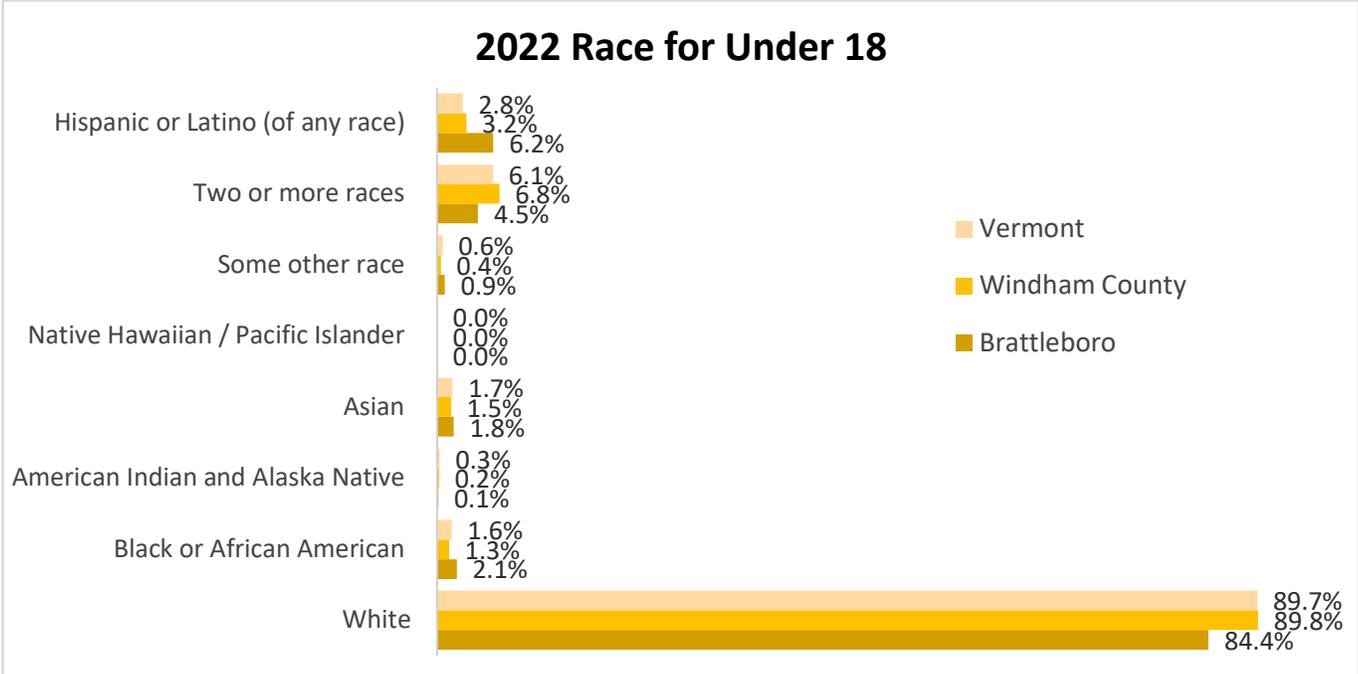
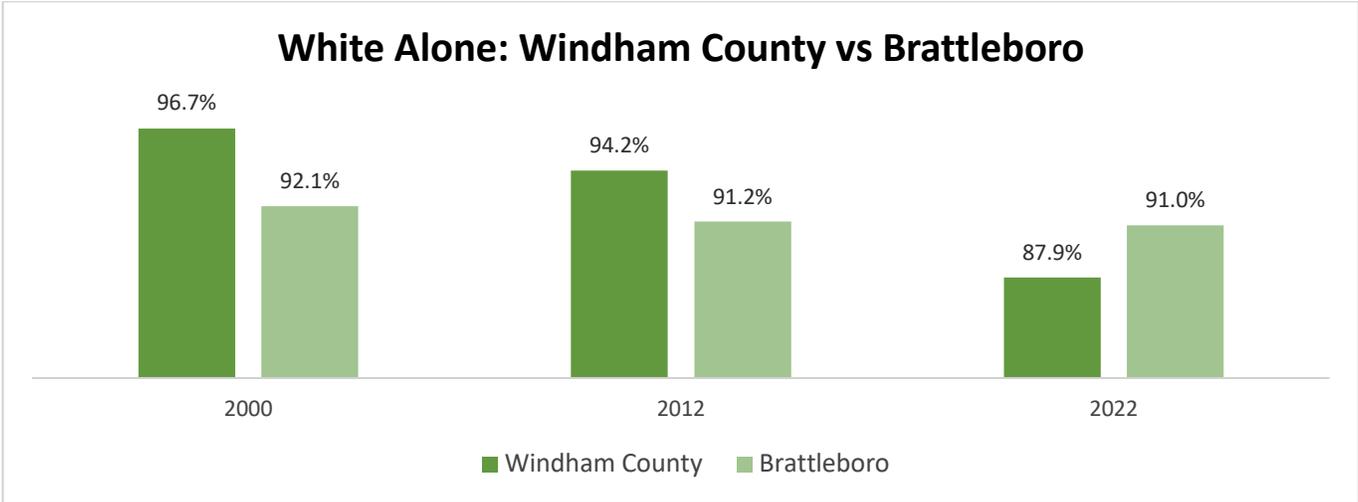
Source: U.S. Census Bureau, Vintage 2022 Population Estimates.

Source: <https://www.census.gov/library/stories/2023/03/domesti-migration-trends-shij>

Decisions made today will impact the population of tomorrow. But there is ample evidence, from low housing vacancy to population trends across rural New England, that if Brattleboro wants to welcome a new generation back to the land, this is a time of opportunity.



Vermont is one of the least racially diverse states in the nation. Brattleboro’s population is 91% “white alone” which has barely changed in 20 years, versus 75% nationwide. Since 2000, the county has become more racially diverse overall, and more racially diverse than Brattleboro. Brattleboro’s youth population is more racially diverse than the town population as a whole, and more diverse than the under 18 population in the county or the state. Over 15% of youth in Brattleboro are black, indigenous or people of color (BIPOC).



Sources for both American Community Survey 5 year data DP05 & S0901 tables

Employment

Brattleboro has 858 employer establishments. Thirty are in the public sector (local, state or federal government), the rest private employers. That number has changed little over the past decade. There are 9,687 jobs, 8,469 of which are in the private sector. These numbers are lower than five years ago, but it's difficult to say whether that's a function of jobs being unfilled, or permanently gone - more on this in a moment (*source: VT Department of Labor Covered Employment and Wages tool at vtلمي.info*).

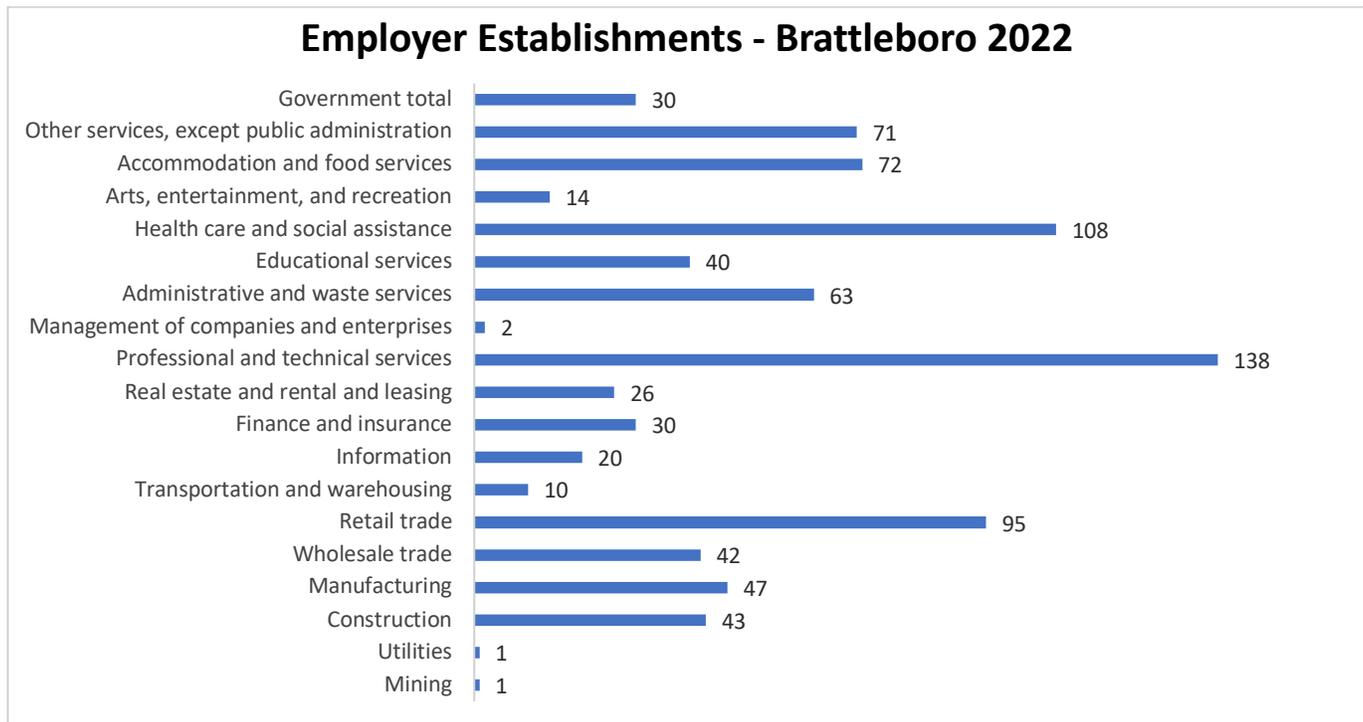
Vermont's shrinking labor force is receiving attention from the Governor, statewide organizations, and national news outlets. Since its formation in 2011, SeVEDS research has focused on an impending talent shortage and demographic downturn. The last few years have brought more attention to the issue and revealed its complexity. With massive layoffs at the start of the pandemic, unemployment co-existed alongside job openings. Much attention is now focused on job openings and labor turnover. According to a recent Vermont Department of Labor statewide survey, the number of job openings in Vermont peaked in April of 2022 at 27,000, well above the pre-pandemic 2019 average of 16,000. The number of openings receded over the remainder of 2022 but Vermont still ended the year with 22,000 job openings.

The job openings data warrants more explanation. The government regularly collects employment data directly from employers, but there is no systematic real-time collection of data relating to unfilled jobs, which is why the state survey was so important. If a job is not filled, it is not measured. For example, if you have a restaurant and need five cooks, but only have four, you have four jobs according to employment data. We can look at job postings, but often times a single job posting represents a need to hire several people, and so we can't get an accurate tally that way either. When the Brattleboro Retreat needs Behavioral Health Technicians, the job posting doesn't show whether they need one or 25.

Job postings do give clues, as do conversations with employers. BDCC conducts studies periodically to generate hiring needs data to guide BDCC & SeVEDS initiatives (learn more at <https://brattleborodevelopment.com/publications/>) The 2014 SeVEDS Workforce Report collected detailed data from regional employers. It identified thousands of job openings projected for 2014-2019. Other SeVEDS studies have assessed specific occupational sectors, such as financial services, commercial drivers, trades and manufacturing. While it's not always possible to conduct local or regional research, hiring needs assessments provide an example where the data available from state and federal sources was, to some extent, misleading because it missed subregional trends too small to register and was built upon employment data (again missing those empty positions). It also uses national trends, without sensitivity to individual firms, such as a company building a new facility or in the process of closing. Major disruptions, such as the Vermont Yankee closure, could not be foreseen and yet affected the bulk of jobs in the regional utility sector. In the coming year, BDCC & SeVEDS will conduct more hiring needs assessment surveys to deepen our understanding of the jobs available (including forward projections), the

quality of those jobs in terms of wages and opportunity, and the training requirements for those roles. We also rely upon support from the University of Vermont and Vermont Department of Labor economists, who conduct analysis of job posting analytics. This demand dynamics data is best used alongside the employment data below, as it is often dominated by high-turnover jobs while under-representing high-skill jobs that rely upon very specific pipelines such as trade apprenticeship or credentialed teachers.

The employment base has shifted in Brattleboro in ways that reflect national changes ongoing for decades; more low-pay and low-skill service and retail jobs, and fewer skilled manufacturing jobs at higher wages. However, this region has managed to retain, grow, and start manufacturing firms despite global trends. Brattleboro and Bellows Falls are home to numerous manufacturing companies with unique products and services. The chart below shows the number of employers in each sector.

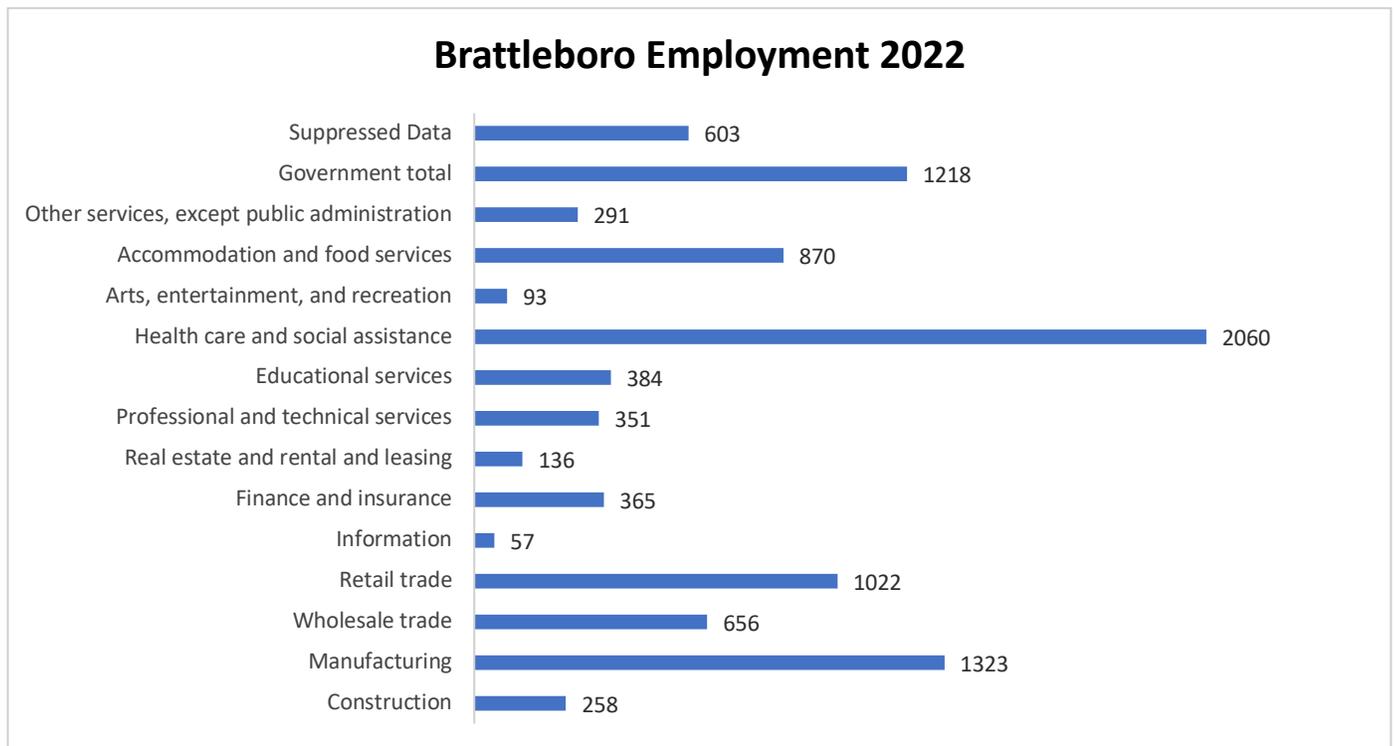


Source: QCEW & Economic and Labor Market Information Division of the Vermont Department of Labor in cooperation with the U.S. Bureau of Labor Statistics.

During the pandemic we did see growth in the number of companies and employer establishments. From 2018 to 2022 the number of employer establishments in Brattleboro rose from 761 to 858. It is hard to know whether this is a lasting gain, or was a factor of the pandemic. Typically economic downturns spur business formation. It is also difficult to distinguish in the local and regional data an entity that is wholly new, versus one established in Vermont to enable a remote worker, with the “real” employer based elsewhere. The state of Vermont has generated substantial research (Agency of Commerce and Community Development, Joint Fiscal Office) on remote workers relocating to the state,

and the impact of remote work and remote workers on the economy. For many employers, the increased ability of trailing partners to work remotely represents reduced “friction” in attracting talent to fill jobs. For many Vermonters or would-be Vermonters, remote work offers a chance to overcome the high cost of housing by importing a salary from more competitive economic regions.

Most of us perceive the local economy based on our own experience - retail and service establishments we see or interact with, and our own experience at work. The following glimpse of all Brattleboro employment reflects diversity of enterprises contributing to the economy, many of which are tucked away in side streets, upper stories, business parks, and homes. The chart below shows trends affecting the employment base with a breakdown by sector of jobs in both public and private establishments. Remember, this includes jobs held by people who come from other parts of the region.



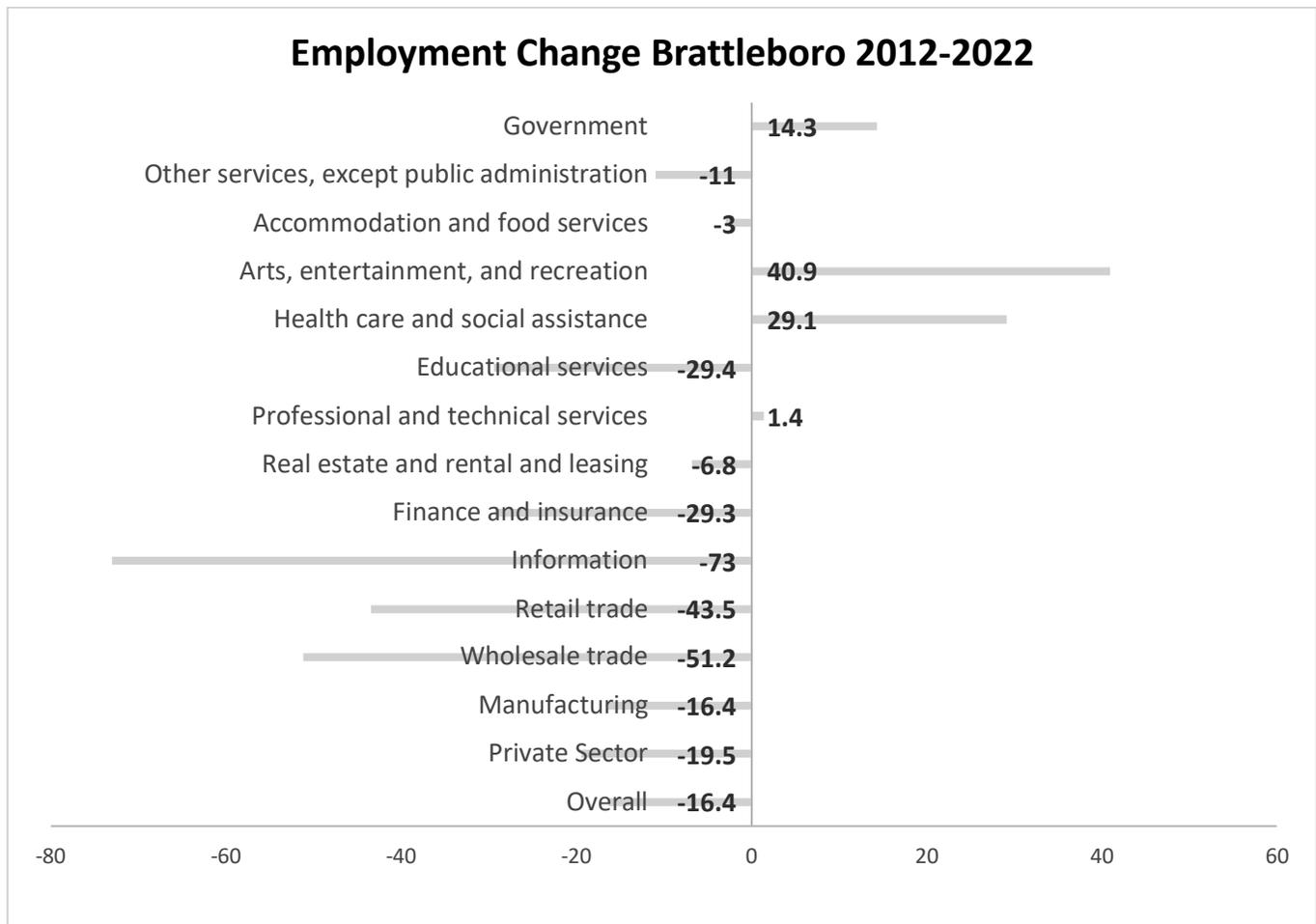
Source: Quarterly Census of Employment and Wages Program (QCEW) produced by the Economic and Labor Market Information Division of the Vermont Department of Labor in cooperation with the U.S. Bureau of Labor Statistics.

The majority of jobs are in Health Care and Social Assistance. In the following report section, we will take a look at the wages from sector to sector. With a wide range of occupations represented in each sector, it is hard to make generalizations about the quality of these jobs. Health care and Social Assistance encompasses home health aides through surgeons, which is another reason why local hiring needs surveys are so important to understand workforce demand as well as opportunities for people to enter good jobs and career pathways.

The jobs most visible to the public are those in retail trade - 1,022 full time equivalent jobs. But many of these jobs are part time. 2,594 employees work in 239 retail businesses in Brattleboro, like restaurants and main street shops, car dealerships and gas stations, grocery stores and fast food.

Recall from the earlier section, there are two totally different ways to talk about employment. First, we can talk about the jobs that are in Brattleboro. But people commute in and out, so not all of those jobs are held by Brattleboro residents. Second, there are jobs held by the residents of Brattleboro. Some work in town. About 36% of Brattleboro residents commute less than 10 minutes, and over 75% less than 20 minutes (*source: American Community Survey 2022 5 year data table S0801*).

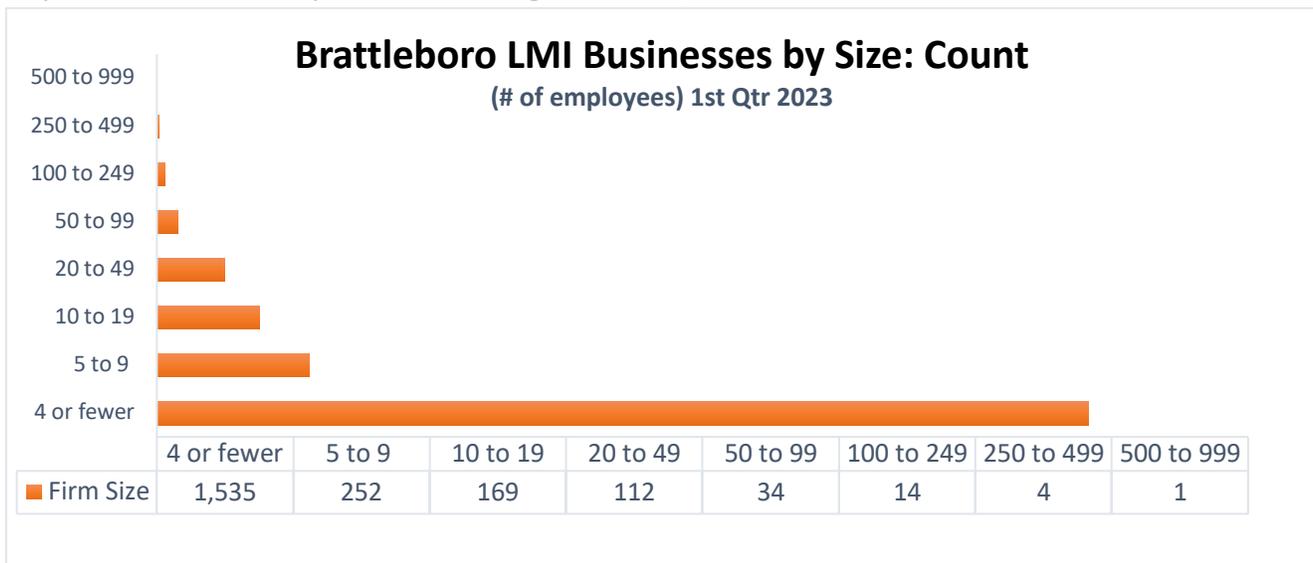
In the past decade, the employment numbers have declined in most sectors, with a few important exceptions: Government, Arts / Entertainment / Recreation, and Health Care and Social Assistance. Again, this may not reflect diminished demand for labor but rather diminished supply of labor.



Source: Quarterly Census of Employment and Wages Program (QCEW) produced by the Economic and Labor Market Information Division of the Vermont Department of Labor in cooperation with the U.S. Bureau of Labor Statistics.

To look at business size, we use Brattleboro labor market area data. This goes beyond just the town boundaries. This wider area recognized by the Department of Labor for the purposes of collecting and comparing data contains 1,069 companies. As with most of Vermont, Brattleboro’s labor market area is overwhelmingly made up of small and very small companies. Only three regional employers have 500 employees or more. Another three have 250-499. The majority of employers have 4 or fewer employees.

Most employers are very small, but most jobs come from larger employers. 83% of local Employers have less than 10 employees, yet they provide just 12.7% of local jobs. Employers with 10-99 employees are 15% of the establishments, yet provide 46% of local jobs. Only 1.1% of employers have 100 or more employees, but they provide 20.9% of the jobs. The largest private employers are in healthcare and mental health, and manufacturing. The charts below represent private employment. The rest of the jobs are in the public sector – mainly local and state government, and schools.



Source: QCEW, Economic & Labor Market Information Division, VT Department of Labor in cooperation with U.S. Bureau of Labor Statistics.

Brattleboro LMI Businesses by Size: Share

Size of Establishment	< 10	10 to 99	100+
Windham % of Establishments	83.8%	15.0%	1.1%
% of employment	12.7%	46.2%	20.9%

Source: http://www.vtlni.info/kevinscorner4.29.2022_Business_Size.pdf

For long-term economic resilience, it is critical to support a range of businesses and employers. Over-dependence on very small employers creates one type of risk. It creates challenges for economic and workforce development partners trying to meet divergent needs, often with employers whose limited internal capacity for training and pipeline development increase their reliance on systems around them. The smaller employers are less likely to be able to create new jobs, generate competitive wages or offer

benefits. On the other hand, when a large power plant or paper plant closes, we experience the risk created by reliance on large employers where one decision can remove hundreds of jobs in a moment.

When considering ways in which the Town can foster desired economic and community development at the local level, it is important to use data and information-gathering to inform that desire and balance focus on retention vs. new. The data is helpful, but a direct understanding of local companies and their sector provides even more valuable context. Setting priorities for town-level investment, policy, or regulatory change in order to foster economic development requires alignment with other local values and goals such as socially responsible businesses, non-profits or creative economy contributors.

Brattleboro and the region can leverage broadband investments and quality of life to attract and grow 21st century talent and jobs. Towns can create an environment that makes it possible to foster new growth by first understanding what is working, and what gaps might present new opportunities. It's important not to lose sight of what is already working, or what is impeding the success of those already here. We cannot afford to lose ground while striving to break new ground. There are variety of important statewide organizations producing research that can inform local action and investment, with expertise in areas like outdoor recreation and the creative economy.

Brattleboro Manufacturing vs. Vermont Manufacturing						
	Establishments		Employment		Avg Wage	
	2022	% chg from 2012	2022	% chg from 2012	2022	% chg from 2012
Brattleboro - Manufacturing Supersector	47	17.5	1,323	-2.6	59,158	25.9
Vermont - Manufacturing Supersector	1125	5	29116	-8.8	68,148	25.6
<i>Brattleboro Food Mfg</i>	<i>14</i>	<i>75</i>	<i>302</i>	<i>23.8</i>	<i>51,641</i>	<i>38.4</i>
<i>Brattleboro Beverage Mfg</i>	<i>3</i>	<i>200</i>	<i>20</i>	<i>(suppressed)</i>	<i>32,406</i>	<i>(suppressed)</i>

Source: VT Department of Labor Covered Employment and Wages tool at vtlmi.info

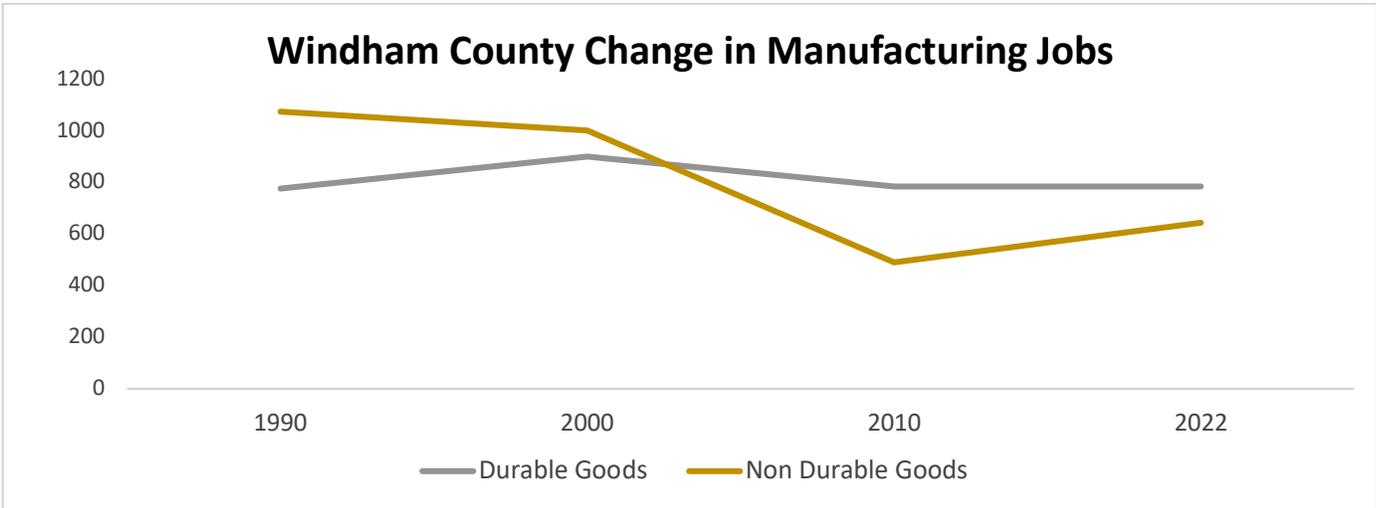
After the Vermont Yankee Nuclear Power Plant (VY) closure, investment through the Windham County Economic Development Program was focused on job creation and retention that would raise average wages in the region. Manufacturers provided a basis for job growth, with a focus on jobs with higher pay. Nearly a decade after the VY closure, manufacturing has played a major role in replacing the jobs lost and driving up wages. The Brattleboro manufacturing sector has performed well compared to the state averages: 10-year wage growth is nearly on par with statewide growth.

Manufacturing is also important in that it brings revenue into the region, by generating products sold to outside markets. Manufacturing has some of the highest “multipliers” which is to say that for every job in manufacturing, there is a high rate of associated spending in the economy. Vermont and Brattleboro are highly supportive of efforts to keep spending local. But all economies experience a degree of “leakage” and limits on what can be controlled. Whether it’s a mortgage payment, a shopping trip to Keene, a vacation, or healthcare expenditures, money leaves. The strength of a region’s economy is dependent in no small part on ensuring mechanisms exist to refill the pool by drawing revenue from outside the region via consumer spending (visitors and locals), and the export of goods or services by businesses. The more “value” added to those materials, the more benefit accrues to the local economy. Whether it’s a beautiful hand-blown vase, a gluten-free pizza, a high-tech lens, or software that ensures fair-trade compliance for national brands, Brattleboro is home to specialized companies that help re-fill the pool.

Brattleboro’s manufacturing sector has grown in number of establishments (companies) and jobs, outstripping the statewide performance of this sector. There are many success stories, including two local companies that have become employee owned. Another manufacturer established a federally approved apprenticeship program, investing in a skilled workforce. Many firms in Brattleboro were founded here, many with the help of BDCC. Although a large number of those have become part of national or international organizations, most remain successful here, making a wide range of products for export such as granola, elastic bands, parts for helicopters, scientific lenses, wood flooring, yogurt, gluten-free pizza, tools for other manufacturers to make things, chocolate, beer, spirits, and games. With a talented workforce, a reputation for quality, and a track record of innovation, this trend should continue.



Source: Bureau of Labor Statistics Quarterly Census of Employment and Wages (BLS QCEW) year over year growth



Source: VT Department of Labor Covered Employment and Wages tool at vtلمي.info

Manufacturing growth in the region, largely in Brattleboro and Bellows Falls, has played a major role in job creation over the past decade. Many job gains and new firms have been in non-durable goods such as beverage or food producers based in Brattleboro: Commonwealth Dairy, Against the Grain Gourmet, Hermit Thrush, Backroads Granola, Fulflex, New Chapter, and Sidehill Farms to name a few.

However, the average wage in durable goods manufacturing exceeds that in non-durable goods. In Brattleboro the 2022 durable goods manufacturing sector average wage was \$62,285 versus \$54,728. Think firms like Chroma Technology, Bradford Machine, Swiss Precision, and Omega Optical. These are highly competitive sectors, but also more productive and profitable, affording higher wages. As the chart above shows, there has been little growth in number of jobs, but wages have been strong and the firms remain highly competitive.

During the pandemic, most of our manufacturers remained open or reopened quickly because they were making essential goods, from medical technology components to PPE like surgical masks, and of course a lot of food. Manufacturing’s role in stabilizing the region’s economy during the pandemic cannot be overstated. Today, as Brattleboro welcomes refugees and asylum seekers, production jobs are some of the first to be accessed by new Vermonters with limited English skills. Strong entry-level wages, steady employment, and on-the-job training are essential to the self-sufficiency of our new neighbors.

Wages & Income

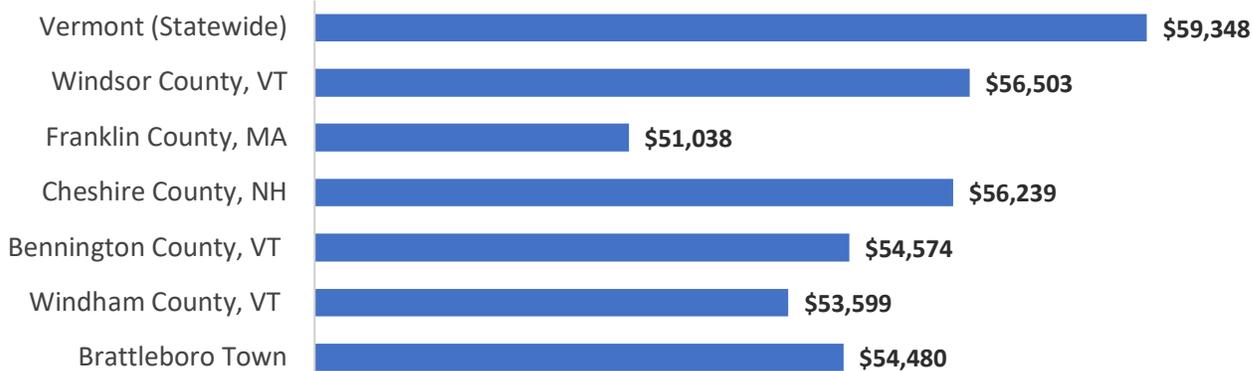
For many households, wages are the main determinant of household income and wealth. Wages are also a major driver of a local economy - money circulating through spending and investment. As of 2022, Vermont median hourly wage was \$22.75, up \$4.52 from \$18.23 in 2018. The US median is \$22.26, up \$4.45 since 2018 levels (\$17.81). Southern Vermont’s hourly wage is lower than both at \$22.15, but is up \$4.41 from 2018 levels (\$17.74). This figure includes part time and seasonal work. (source: Bureau of Labor Statistics <https://www.bls.gov/oes/tables.htm> and vtlmi.info Occupational Employment and Wage Statistics).



Sources: Vermont Department of Labor Economic and Labor Market Information Tool at <http://www.vtlmi.info/>; Bureau of Labor Statistics Quarterly Census of Employment and Wages at <https://www.bls.gov/data/>; New Hampshire Employment Security Economic & Labor Market Information Tool at <https://www.nhes.nh.gov/elmi/statistics/acew-data.htm>

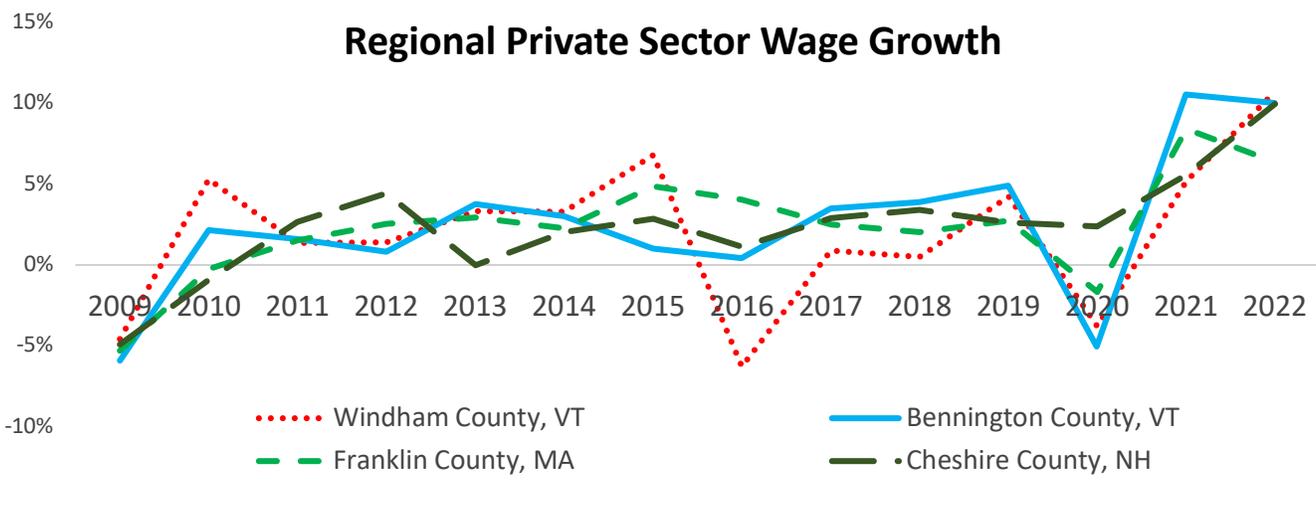
In this region, wage growth is an indicator of progress towards an important goal articulated in plans and Vermont Yankee recovery efforts; narrowing a gap between Windham wages and those in neighboring regions. In 2022 the Brattleboro average wage of \$54,480 was higher than in the county overall (\$53,599), but both are low compared to the average wage for the state of Vermont (\$59,607). In the previous Brattleboro data, report we saw Windham County wages below surrounding counties. There was wage growth, but not enough to catch up. After the 2014 Vermont Yankee nuclear power plant closure, wage growth faltered. However, the pandemic caused a re-set so we are seeing Windham County wage growth on par with, or exceeding, our neighboring counties. This is a positive development for working people in Brattleboro (source: Vermont Department of Labor Economic & Labor Market Information).

Regional Wage Comparison - Average Annual Wage (2022)



Source: Quarterly Census of Employment and Wages Program (QCEW)

Regional Private Sector Wage Growth



Source: Bureau of Labor Statistics Quarterly Census of Employment and Wages (QCEW)

The shift of employment options over the last few decades is not about total numbers, as much as it is about the loss of many quality jobs with strong wages and benefits. Layoffs at Vermont Yankee dramatically reduced utility sector jobs. While those workers were largely able to relocate or redeploy, those wages are no longer earned and spent in this region. Other layoffs, downsizing and closures have affected sectors like higher education, banking and manufacturing. It is the loss of quality jobs that is most concerning – jobs that provide strong wages, opportunities for growth, training and benefits, and which support a skilled labor force and a high standard of living. The data is just one part of that story of a

qualitative shift in the employment base. Some companies have remained, but have been acquired by outside interests, which in many cases leads to a loss of management level jobs in this region.

Public sector employment is a major source of stability and wages in the region. This includes municipal jobs, employment by supervisory unions, and work within state or state-funded agencies. These are critical to the economy, but from an economic development standpoint these are not jobs directly influenced by regional or local efforts. For this reason, the government jobs are sometimes excluded from data for analysis and planning purposes. Examining the private sector and employment separately provides a stronger indication of trends that can be influenced through investment, programs or policy. The table below has overview data in the top rows, and then is organized from highest to lowest wages.

Brattleboro Average Wages by Sector (2022)

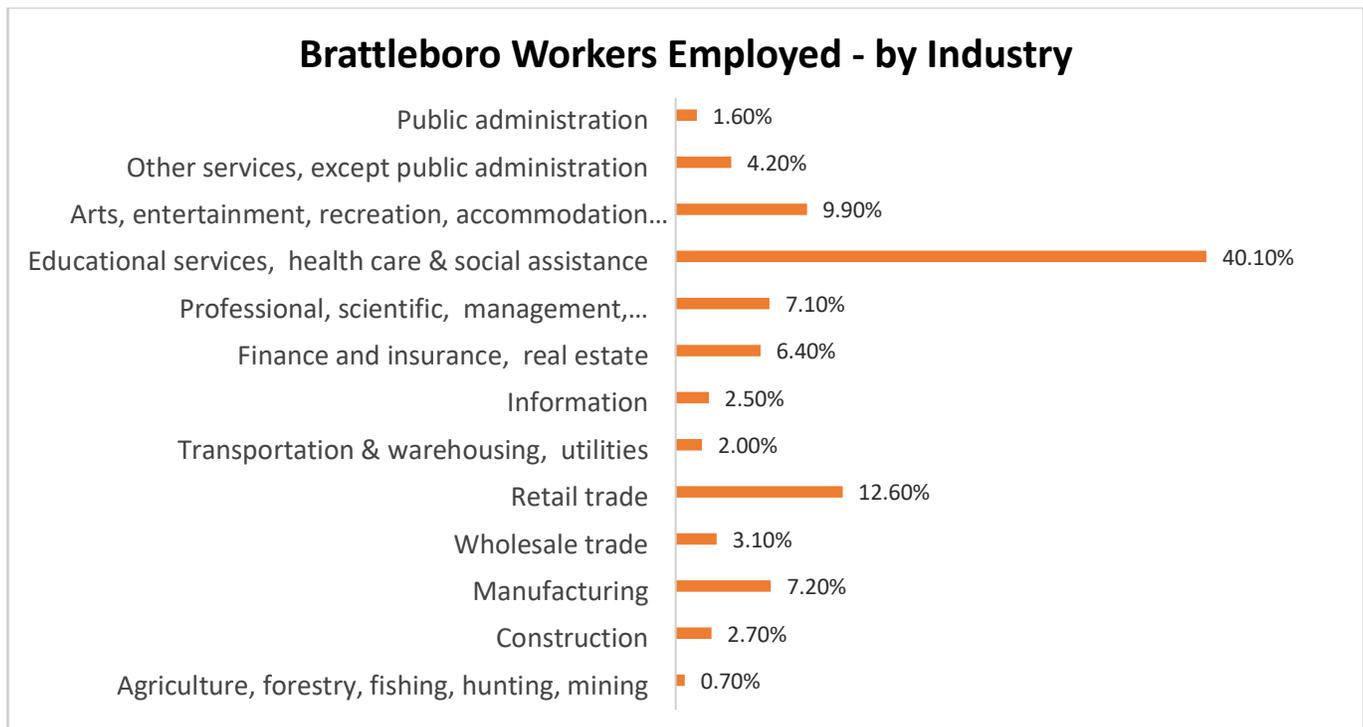
Overall	54,480
Private Sector	54,726
Government	52,773
Professional and technical services	84,343
Finance and insurance	82,329
Information	65,283
Wholesale trade	63,943
Health care and social assistance	60,727
Manufacturing	59,158
Real estate and rental and leasing	56,711
Mining (County Data)	56,430
Ag & Forest (County Data)	55,546
Construction	54,864
Government	52,773
Transportation & Warehousing (County Data)	49,456
Retail trade	44,720
Other services, except public administration	38,735
Educational services	35,293
Arts, entertainment, and recreation	35,100
Accommodation and food services	25,844

*Utilities, Mining, Management of Companies, Administrative & Waste Services – data suppressed at town and county level.
Source Vermont Department of Labor Economic & Labor Market Information*

Note the sectors with suppressed records due to the low number of establishments or jobs at town level. One or two very large employers can be missing entirely from local data analysis due to this factor,

which can skew attempts to build understanding of local economic data. This is why regional data is also important, and why local officials benefit from gaining direct knowledge of various local businesses and employers. This data is organized by industry sector, but within each sector are a range of occupations and wage scales. For instance, people with accounting, finance and bookkeeping skills work in all of these sectors. Health care and social assistance will include an entry level Personal Care Attendant, and a late career surgeon. For more granular understanding all occupations in the region, the Vermont Department of Labor provides a detailed list for Southern Vermont that is available at vtlmi.info.

For a different view, the data below tells us about Brattleboro residents who work, and what their jobs are – so it includes people who leave town to work as well as remote and hybrid work.

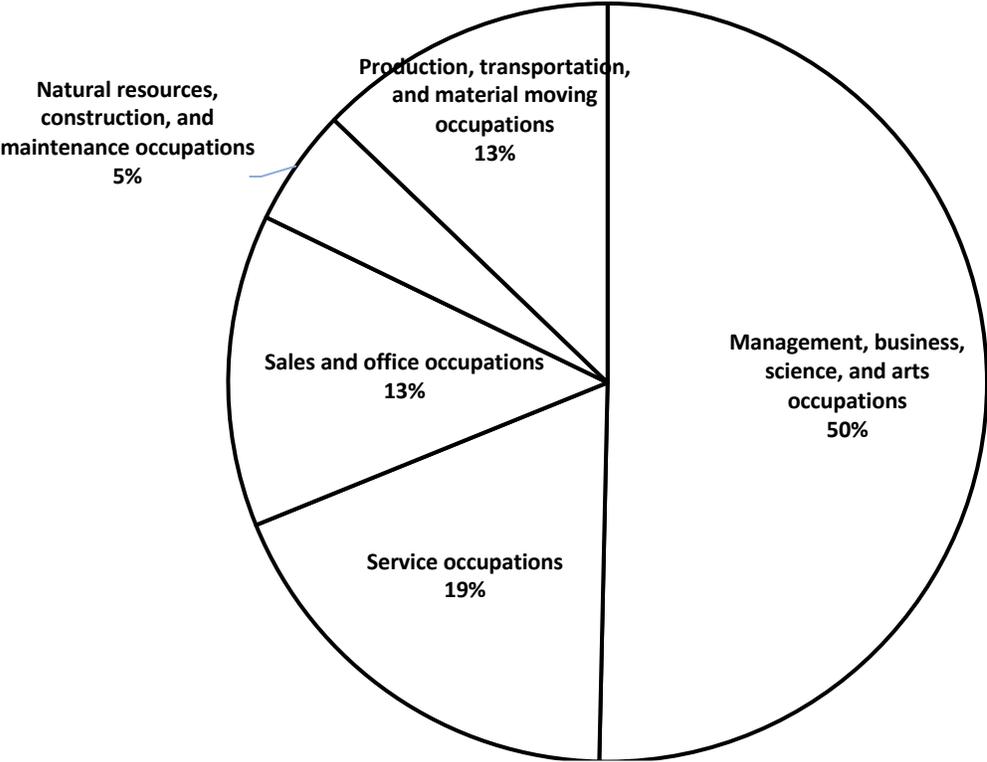


Source: American Community Survey 5-Year Data 2017-2021 DP03 Data Profiles Table

Another way to look at jobs is using categories from the census, which cut across industry sectors. The next chart shows Brattleboro residents who are part of the labor force in these broad groupings.

For instance, people who live in Brattleboro are highly unlikely to be farmers, foresters or construction workers. This illustrates how Brattleboro’s job base (and Bellows Falls) differs from regional employment. Aside from the manufacturing and service hugs, the regional employment base is dominated by natural resource, real estate, recreation or construction related jobs.

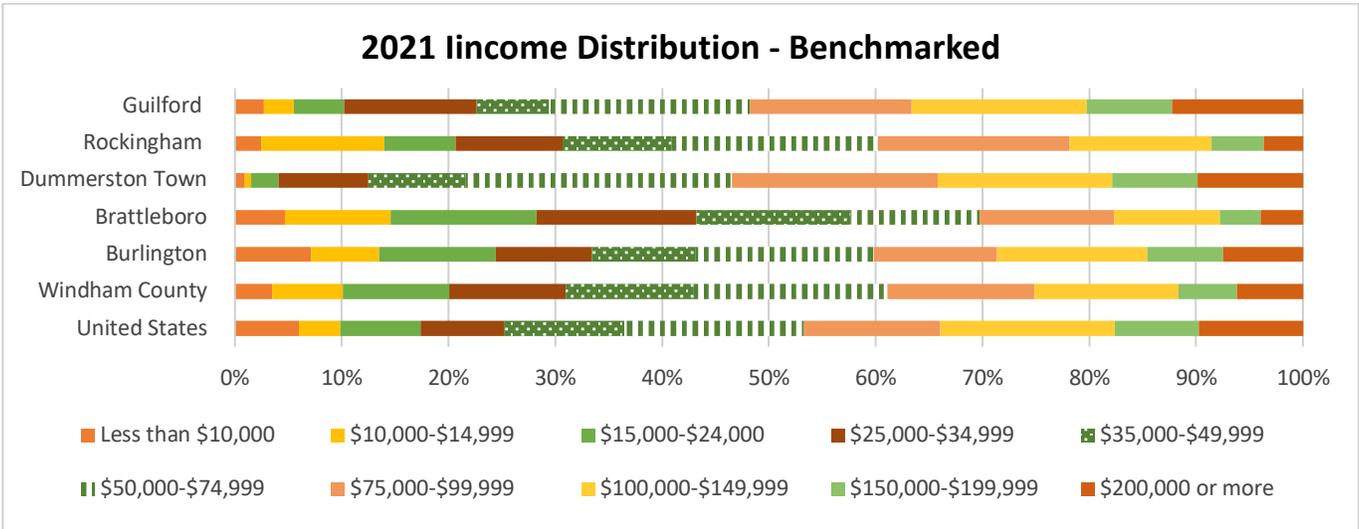
Brattleboro Workers Employed – by Occupational Group



Source: American Community Survey 5-Year Data 2017-2021 DP03 Data Profiles Table

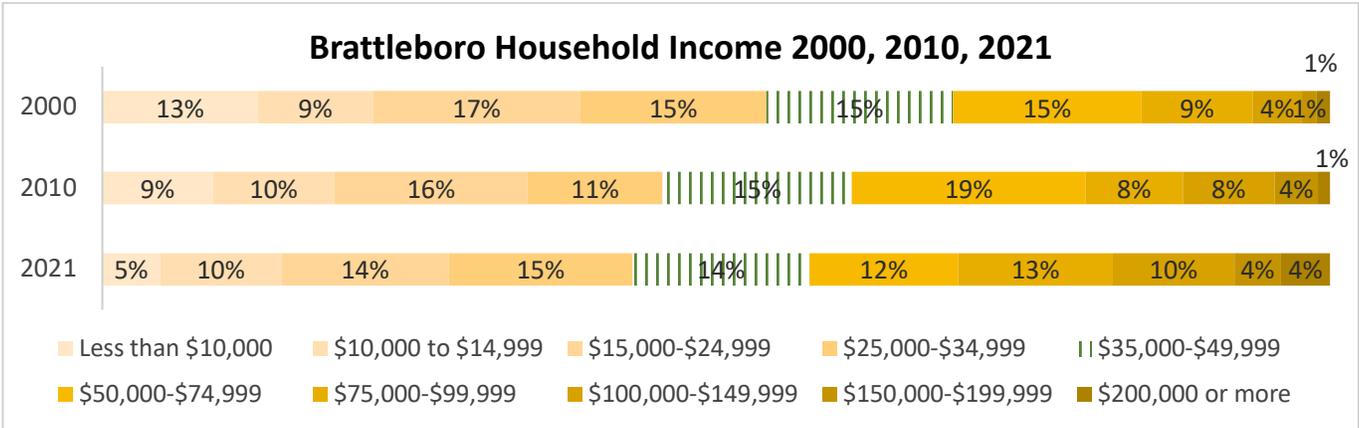
An important factor to note is that regionally (and statewide) approximately half of household income is not derived from wages. Income may come from benefits or entitlement programs, investment or passive income, pensions or revenue from business ownership. In Windham County, a little over one third of households do not have a person in the labor force. So, as we transition to look at income by households, it’s important to note that wages are not the driver of household wellbeing for every household. For many households, wages are not a factor, or are just part of their overall income.

Brattleboro’s median household income is \$42,776. Windham County’s is \$65,473. One way to analyze household income is to compare the distribution of income cohorts to other areas. The next chart shows incomes for Brattleboro, the county, the nation as a whole, some neighboring communities, and Burlington. The \$35,000 to 74,999 ranges are patterned to emphasize cohorts where the Brattleboro and Windham County medians fall. What this shows is how an “average” household is, to some extent, a matter of context.



Source: American Community Survey (ACS) 2021 Five Year Data

While some regional towns have a share of households in the highest income bracket (\$200,000 or more) that is comparable to the nation overall (around 10%), Brattleboro and Rockingham have 5% or fewer households in this highest bracket. When it comes to the lowest income levels, we see that about 30% of households live on less than \$24,000 a year. In Dummerston or Guilford, more than half of households earn \$75,000 or more, whereas in Brattleboro it’s 30%. Many factors go into these differences, such as the high concentration of single-person (and therefore single-income) households.

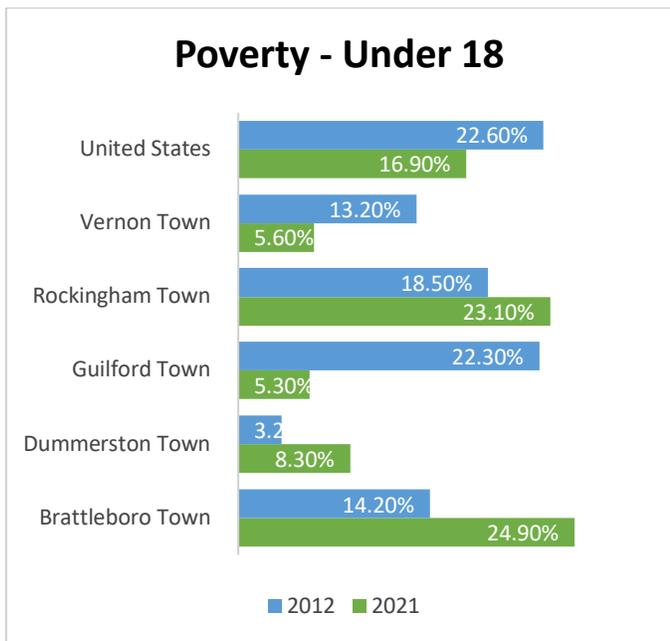


Sources: 2000 Decennial Census, ACS 5 Year 2010 and 2021

Another way to look at income distribution is to consider what is happening over time. The second chart here shows Brattleboro’s income distribution from 2000 to 2021. The green striped cohort is where median household income falls. In 2021 median household income for Brattleboro was \$41,001. The median is the middle value in the list of given numbers numerically ordered from smallest to biggest. This means that there are just as many households above that median as there are below it.

The nation as a whole has experienced growing income inequality. This is often seen in terms of more people experiencing poverty, and more wealth concentrated in a small share of households in the top 1, 10 or 25%. However, another way to consider this is the shrinking number of households within those moderate to middle income ranges. With so many variables, such as household size, assets (homes, investments) and life stages it's difficult to look at this data and determine exactly how national and statewide trends towards income inequality are impacting individuals and the community as a whole. But these distributions correlate with real and perceived resource changes and capacity. This data tells us nothing about the assets or other resources of these households.

Median income data does not fully describe what's happening within income groups. For instance, the actual income of households at the top half has grown more than the households in the bottom half. While the median income was \$41,001 in 2021, the "mean" was \$63,223. The mean is what we often think of as the average, the sum of all the numbers divided by the total number of items. In the case of Brattleboro income, the fast rise of the mean vs the median is one way to see rising income inequality. While median household income went from \$31,997 in 2000 to \$41,001 in 2021, the mean has gone from \$42,999 to \$63,223. Again, this points to gains in higher income households that are greater than income gains in lower income households. It reflects nationwide trends - wages in lower and moderate income households not keeping pace with inflation, higher income households gaining ground, and low income households on fixed income (retirement or social benefits) that don't keep up with inflation.

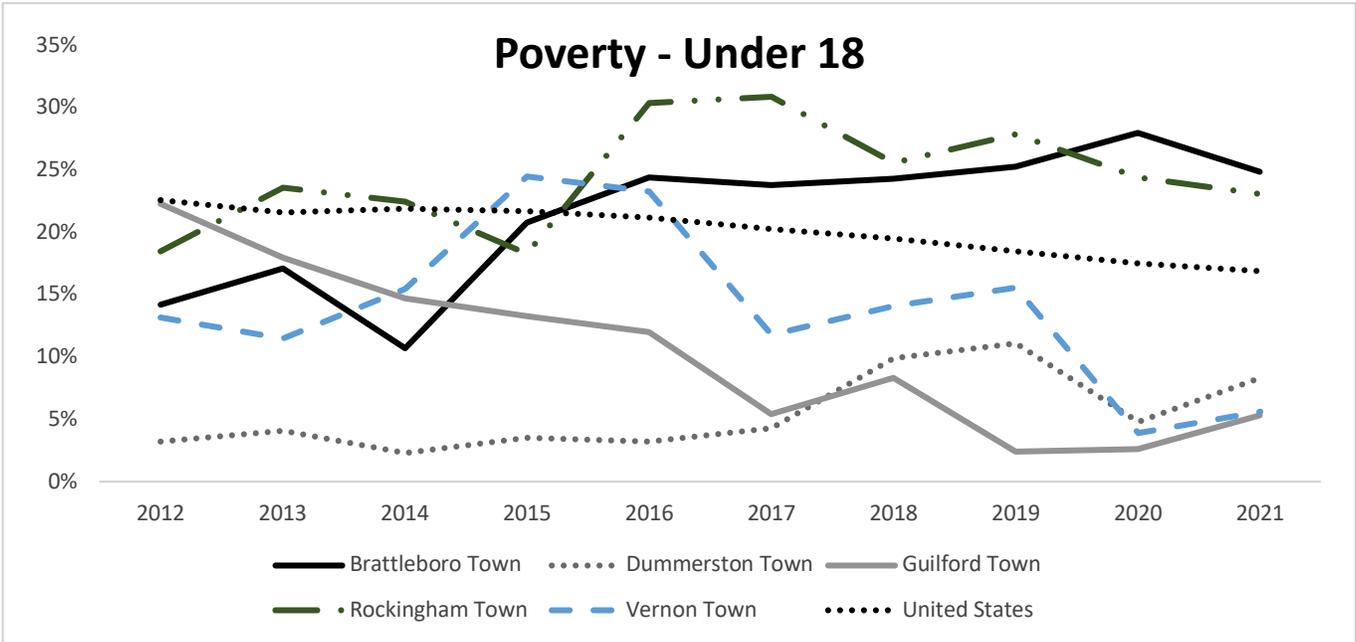


Sources: American Community Survey 5 year data

In the last five years, Brattleboro has seen an increase in the number of households and individuals living in poverty. The data above provides a sense of recent changes, and the special role that regional

hubs like Brattleboro and Rockingham play as home to many of the county’s most vulnerable people. Of particular concern is the increased proportion of children affected by these economic trends. While the overall number of households with children in poverty has gone down in the United States, the housing crisis has likely forced more households to seek services and housing options where they are available. There are limited affordable housing options and services available outside of hub towns like Brattleboro.

The growth in the number of individuals and children living in poverty is striking. It has caused a change in the way that Brattleboro is seen by the federal government. With the new Census data, two census tracts now qualify for Justice40, a lens which directs funding and programs into areas with a concentration of vulnerable populations. The chart below shows the change over time in the under 18 population in poverty.



Source: American Community Survey (ACS) Five Year Data

Labor Force

From 1990 to the early 2000s, the Windham county labor force grew slowly but steadily. Since its peak in 2010 of 25,456, the workforce has declined in size. With the region's high median age, we see an increasing share of workers nearing retirement. With low in-migration and consistent out-migration of youth, replacement of workers is insufficient. At this time local, regional and state unemployment rates are all around 2-3%, which means the available labor pool is very tight for employers. The tight labor market is also a factor driving up wages.

There is also a group of people not counted in the labor statistics, those who are both voluntarily and involuntarily out of the labor force. There is also a large informal labor force, people who work "under the table", a group for which there is little reliable state or local data. Most households in the town and the region have at least one person in the labor force. However, many households have no one in the workforce: 6,063 of 19,382 households in the county and 2,035 of 5,636 households in Brattleboro (*source: 2022 ACS 5-Year Estimates B08202*).

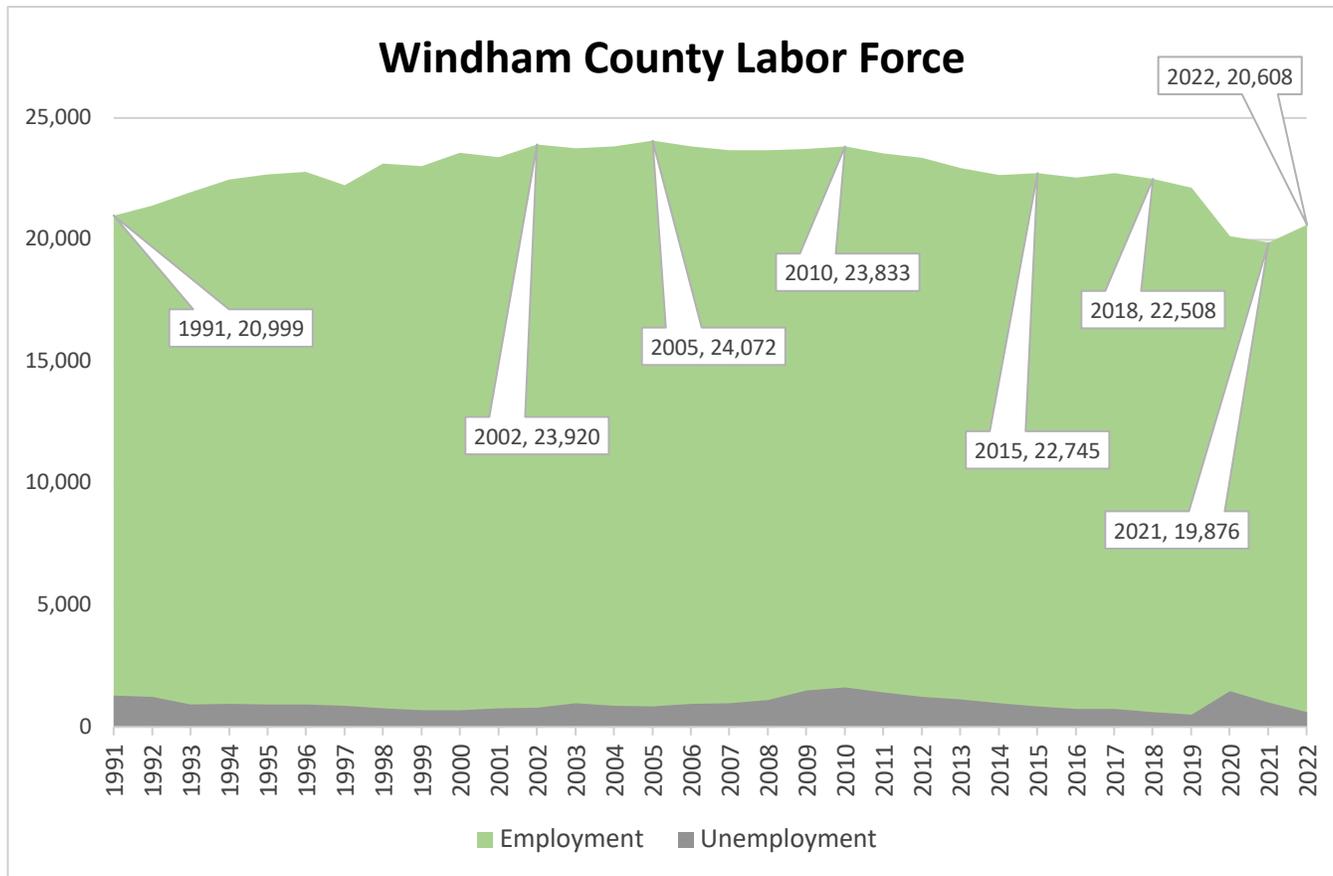
Looking for more information on what's happening with the labor force?

The terrific economists at the Vermont Department of Labor regularly publish analysis of labor force dynamics which provides some context for what's happening in Brattleboro: "Despite growth in the labor force, it remained almost nine thousand below the [Vermont statewide] December 2019 figure of 352,852. The unemployment rate increased very slightly over the year from a December 2021 rate of 2.8% to a December 2022 rate of 3.0%. The labor force participation rate – the share of all civilian, noninstitutionalized Vermonters 16+ who are in the labor force – grew from 62.6% to 63.4%. While the participation rate had been falling for the previous decade, the decline during the pandemic was quite significant. In the decade prior to December 2019 the rate fell from 70.5% to 66.1%. By December 2020 it had fallen to 61.7%. It has been increasing unsteadily since that time."

Find more information and resources at the Vermont Department of Labor web site and VTLMI.info

The labor shortage has created new opportunities, as employers adjust certain requirements for hiring and raise wages to attract and retain the talent they need. The tight labor pool is shared across Vermont, rural areas, and to some extent the nation. Of course, this does not mean all types of jobs are available. As has been the case for a long time in Vermont, the greatest demand is in "skilled" work such as trades or health and education occupations which require specific credentials. Limitations on workforce training in the region create a heavy reliance on employers to provide training on the job, and on workers to find creative solutions to obtain the skills they need, such as traveling across state lines to classes.

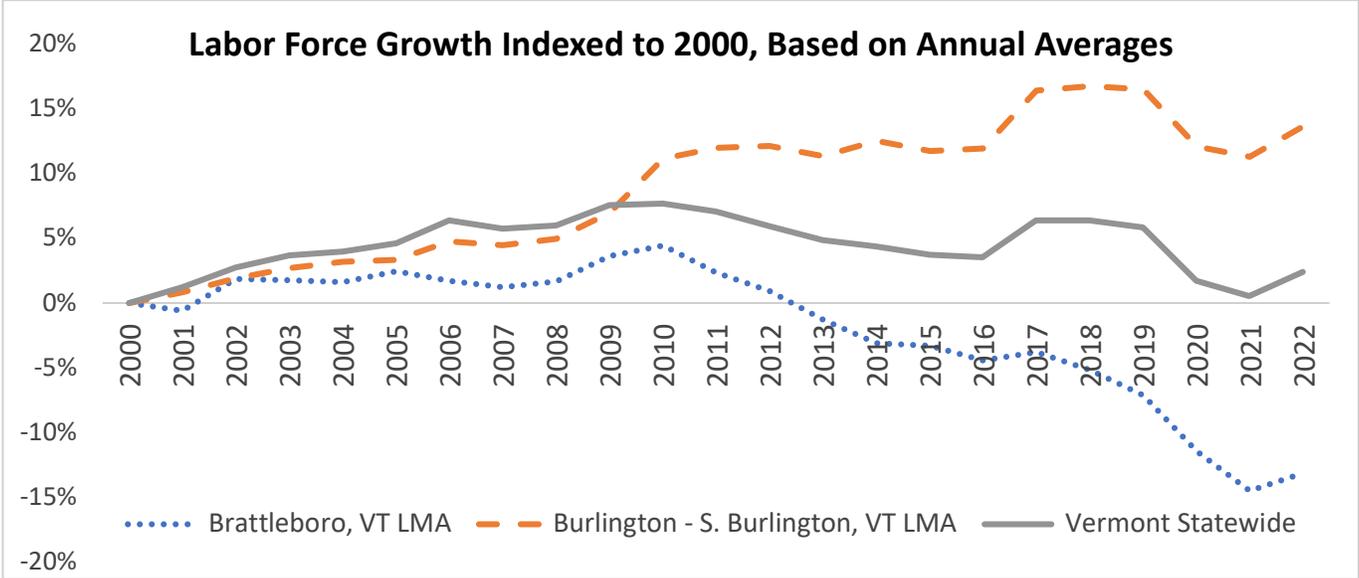
The labor shortage raises concerns about how employers may respond when a large number of jobs go unfilled. Therefore, underneath the simple employment statistics lie questions economists and policy-makers have begun to ask about how labor shortage is driving employers to compromise and lose productivity, or steps taken to to reduce reliance upon labor. In order to adapt to unfilled jobs, employers are having to innovate, outsource, and automate. Some employers can't do this, and so rely upon expensive solutions to import labor such as travel nurses or workers from other facilities. Responses that reduce a need for personnel, or perpetuate the outsourcing of labor to non-residents, will impact future opportunities available to local people in ways we don't yet understand.



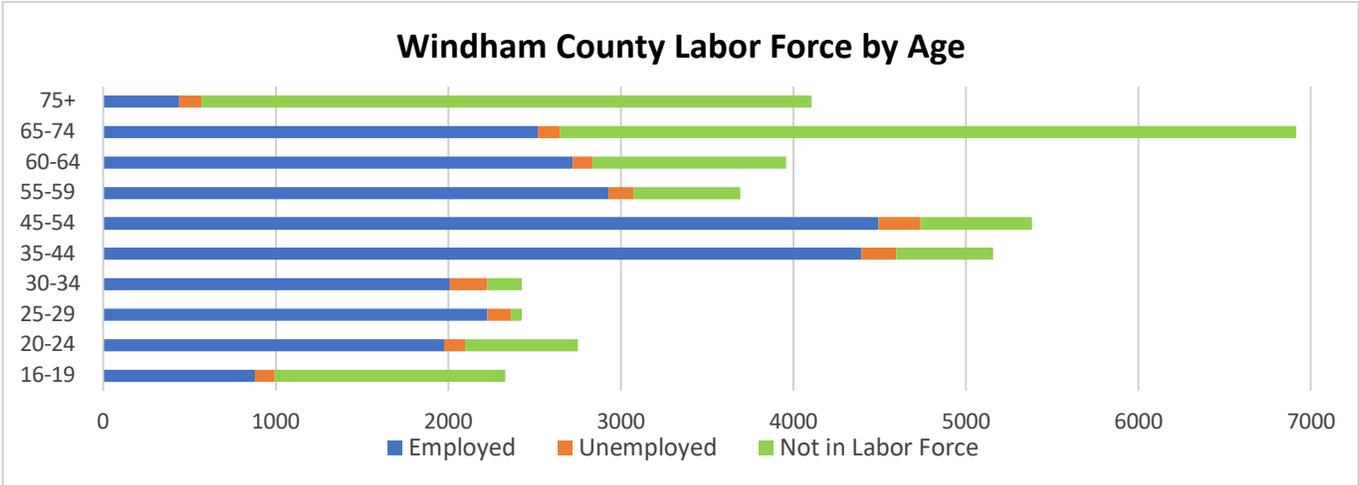
Source: Published by the Vermont Department of Labor, Economic & Labor Market Information, in cooperation with the U.S. Bureau of Labor Statistics. "vtlaus" file from <http://www.vtlni.info/unemp.cfm>

The chart above shows the long term trend in the size of the region's labor force. We saw a slight rise in the labor force in 2022 as workers returned post-pandemic. Below, the change is portrayed in a more dramatic manner by using growth rates (often negative) rather than straight numbers. This chart takes the year 2000 as the baseline, measuring changes in the size of the workforce in relation to that number (23,680 for the Brattleboro Labor Market Area vs 334,055 for the state). Brattleboro LMA has lost

13.1% of its labor force, while the state has grown 2.4%. The Burlington region has grown its labor force 13.6%. This helps to explain the divergence in our experience as compared to Burlington and the state as a whole. This shows the divergent experience between much of Vermont, and the Chittenden region, a divergence which can explain how impressions of the economy can vary so widely across one small state.



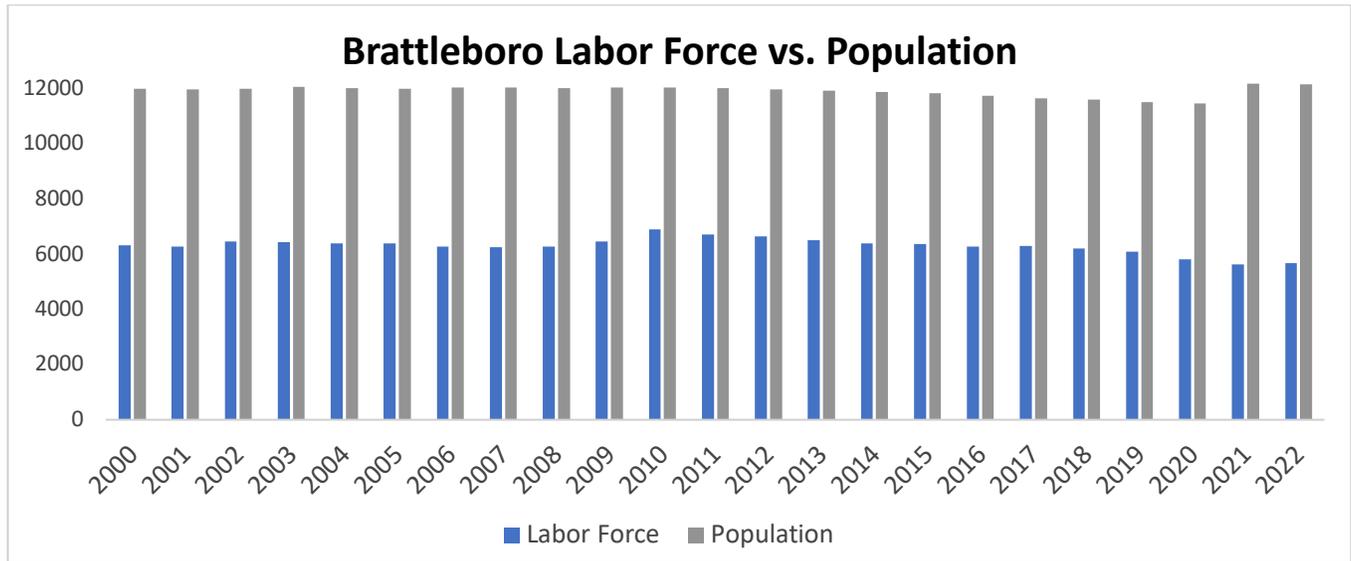
Source: Published by the Vermont Department of Labor, Economic & Labor Market Information, in cooperation with the U.S. Bureau of Labor Statistics. "vtlaus" file from <http://www.vtلمي.info/unemp.cfm>



Source: American Community Survey 2022, 5 year data

Regional demographic trends and their implications for workforce were raised in SeVEDS research and development of the regional CEDS strategic economic plan in 2013. Talent supply is now a major focus of statewide policy, as multiple counties experience double digit drops in labor force. The situation here

is acute: Windham County has lost 16.6% of its labor force since employment peak (2010), the third worst decline in Vermont, behind Essex and Rutland counties. The labor shortage is likely to continue as a growing share of the workforce is made up of individuals near, at, or past retirement age. Without compensating gains in younger cohorts through in-migration and better retention of young residents, labor supply will continue to be a challenge. Without people to fill jobs, employment will further decline.



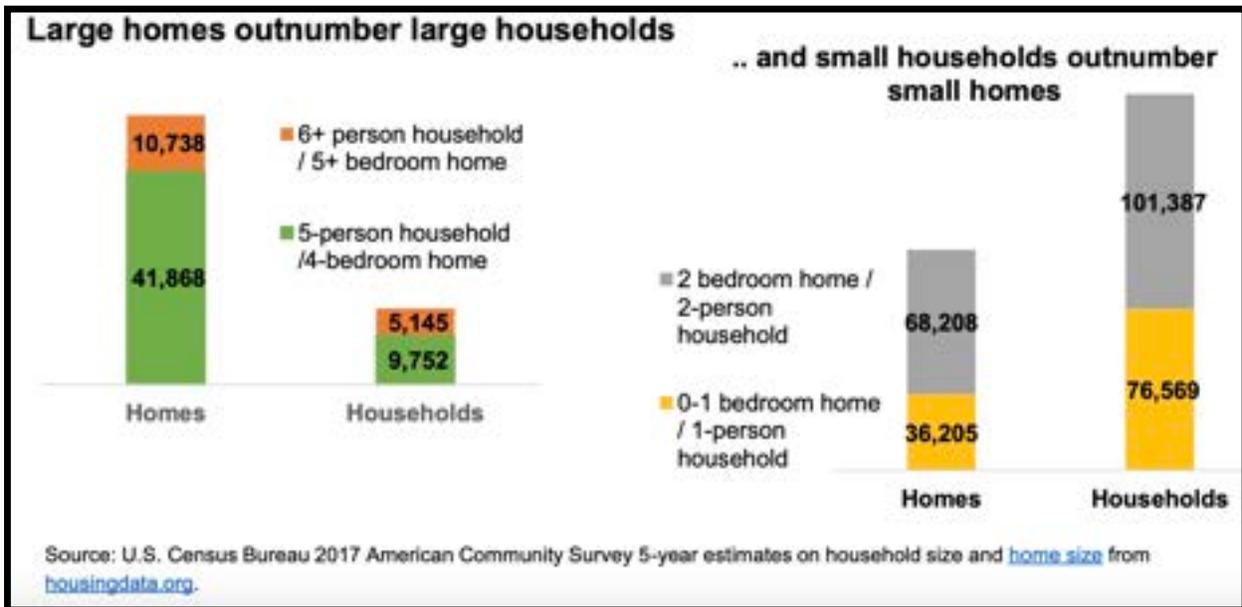
Sources: Bureau of Labor Statistics LAUS and American Community Survey

The chart above shows a slight increase in the town’s population which has been accompanied by a slight decrease in the local labor force. This chart is the town only, not labor market area. While the census data is not perfect, these trends provide a chance to ask questions about what is changing within Brattleboro households that’s driving population level change, and influencing the economy. Another way to think about that is, in order to ensure there are jobs for those who seek work, how do we ensure a labor force necessary to support the success of companies? In order to ensure vulnerable residents access services they need, how does the town ensure teachers, social workers and other essential providers can themselves live in the community? As organizations like Windham Aging have begun to point out, quality of life for older residents is directly tied to our ability to fill jobs in hospitals and nursing homes. A robust labor force, just like housing, is a resource that is easy to take for granted but its adequacy is not assured.

Housing and Households

There are 19,085 households in Windham County. Brattleboro is home to 29% of those households. Brattleboro has a comparable share of households with children under 18 (28%), and people over 60 (29%), although there is some overlap. Brattleboro hosts more multi-family units (apartments), and more of the region’s minors and elders, than the five nearest towns combined. Brattleboro has 29% of Windham County’s households, but is home to 36% of the county’s single person households. In fact, 44.2% of Brattleboro households consist of a single adult, the highest share in the county. Of those single person households, 21.7% are people over 65 – seniors living alone.

Brattleboro functions as an urban community, based on the presence of services and jobs, but also the characteristics of its housing stock and housing tenure. It’s a regional hub, home to a diverse range of households including many smaller households, because of its housing stock: it has most of the region’s rental units – single family homes and apartments. When this report was first published five years ago, Nearly 40% of Brattleboro households consisted of one adult. Today it’s 44.2%. The trend towards single person households has been occurring for decades here, and nationally, and can help us to understand one of the factors in housing demand. Even while the population has remained flat, the trend to smaller households means that each housing unit contains, on average, fewer people. In 2000, the average household in Brattleboro had 2.15 people. It now has 1.23 people. Imagine a building with 10 apartments. In 2000 it had more than 21 people. Today it has 12. Despite a flat population, change is ongoing.



Source: VHFA https://outside.vermont.gov/agency/ACCD/ACCD_Web_Docs/Housing/Housing-Needs-Assessment/HNA-Fact-Sheet-7-Large&Small-Households.pdf says that 30% of state is 1 person h, 39% 2 person. Small households are the norm and still growing in share.

Understanding housing demand is a perpetual challenge. If someone can't find the home they need in a community, they may go elsewhere, making it hard to assess "see" their experience. There is, however, an enormous amount of housing data available at various levels - town, county and statewide - through housingdata.org from the **Vermont Housing Finance Agency**. The interface is easy to use and can provide data ranging from trends in term rentals, to cost burden in relation to local wages, and new housing prices. There are periodic studies that dive into the housing needs of each region as well.

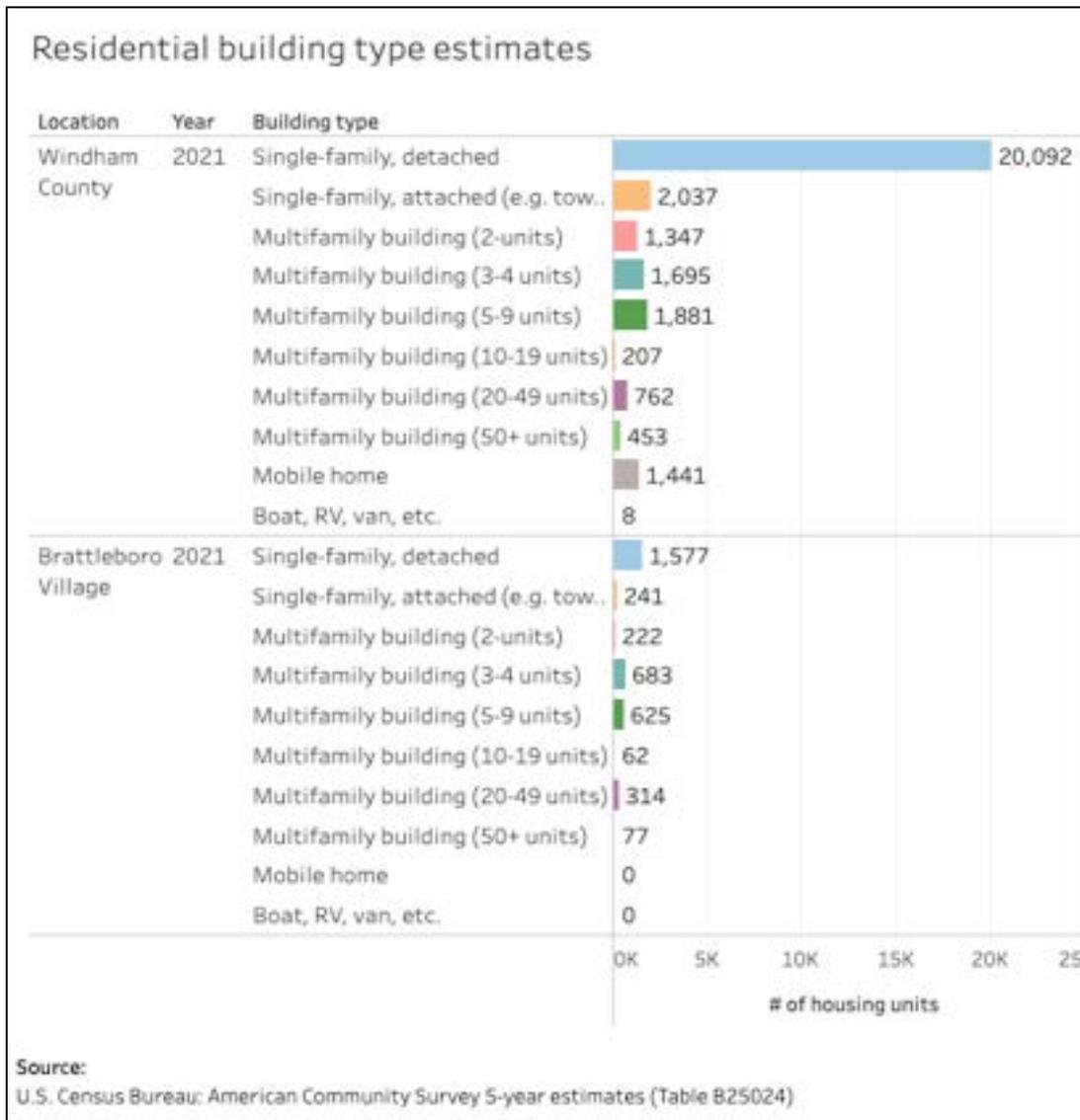
For granular data about Brattleboro's housing needs and plans, please refer to the recent **Brattleboro Housing Needs Assessment and Action Plan** which includes both housing data and extensive survey data collected from Brattleboro residents. The plan can be found on the town's web site. This report identified a need for over 500 housing units, at a range of price points. To fully ascertain demand for a particular type of housing, a market study would be useful. In the absence of that data, indicators like low vacancy and high prices, as well as anecdotal data and surveys, provide some basis.

Brattleboro also serves some highly specialized housing needs. Brattleboro-based agencies and initiatives provide the majority of regional services for people experiencing homelessness, and who need transitional housing and related services. The number of unhoused people in the state has grown since COVID. In 2019 the statewide point-in-time count found 1,100 people, 114 of whom were unsheltered. The 2023 statewide count found 3,295 people, 137 of whom were not sheltered.

Brattleboro provides housing solutions unavailable in surrounding communities. For instance, Brattleboro has most of the regional rental and affordable housing units. It has most of the units with on-site support and programming for residents. The screenshot below is from VHFA analysis showing the mismatch between the housing stock Vermont has, and the needs of households, just in terms of size. This, of course, affects affordability as well.

For some time there has been a concern that short term rentals are the driver of high housing costs and short supply. This may be the case in certain markets. Seasonal and short term rentals represent 2.5% of state housing, 4.2% in Windham County. 16% of the state housing is seasonal, 3% vacant. Brattleboro is less affected by these factors than the county as a whole. There are 29,923 housing units in Windham County, but 36% are vacant (vs. 10% vacant in Brattleboro). The resort communities (Dover, Stratton, Wilmington) account for the majority of those vacancies – 18%. There is no meaningful mechanism to force vacant or short-term rental units to be made available for year-round rental, but there are efforts to create local or state registries to better monitor this housing (*Source: VHFA and census*).

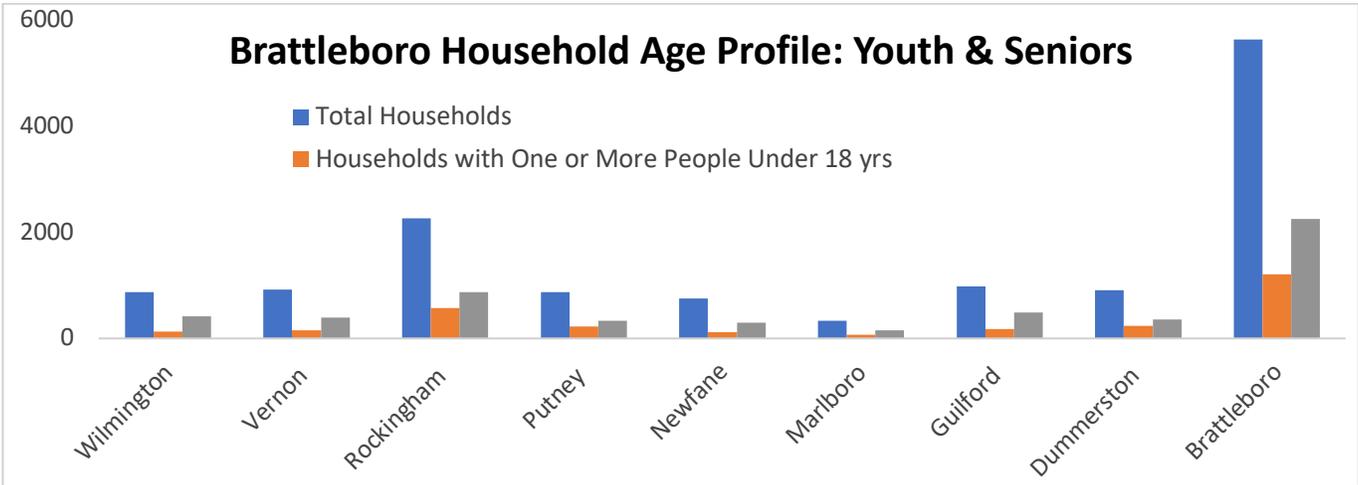
Outside of Brattleboro, the housing stock is predominantly single family homes. In Brattleboro (like Bellows Falls) there are more units adapted to a wider range of households. The chart below provides a great illustration of Brattleboro's housing stock, versus that of the county overall. This was taken from the VHFA data dashboard referenced earlier.



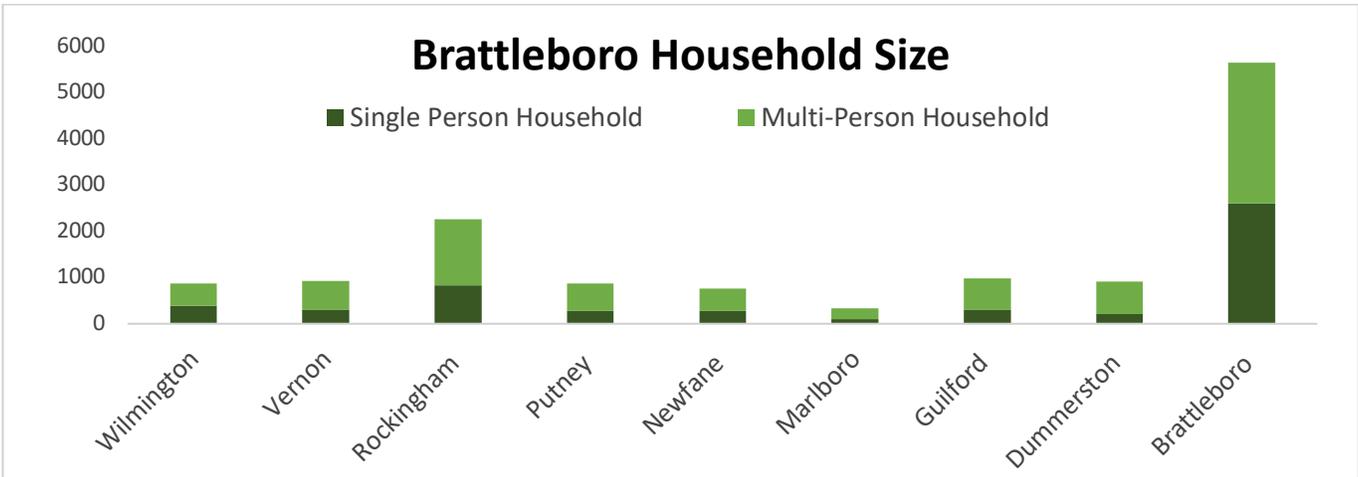
Source: HousingData.Org at the Vermont Housing Finance Agency <https://housingdata.org/profile/housing-stock/residential-building-type>

Brattleboro is housing a large share of the county’s young and older residents. It’s home to most of the single person households, and affordable housing both in the formal and informal sense. The availability of appropriate housing in Brattleboro is key to meeting the needs of a broad range of households.

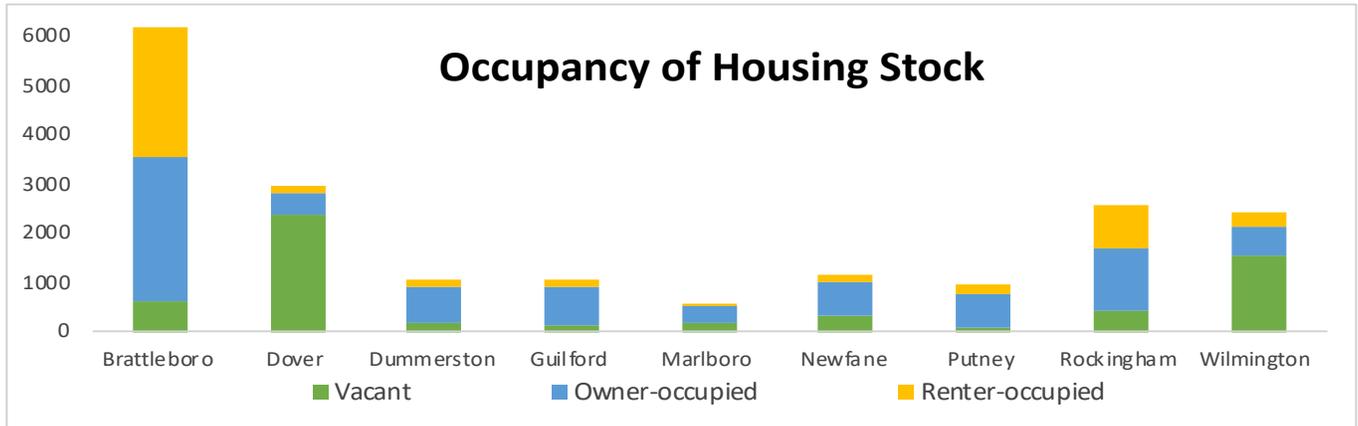
Despite offering diverse housing options, VHFA data shows 20% of Brattleboro households are severely cost-burdened, spending 50% or more of income on housing costs. The town median home price is \$272,000 (vs \$309,000 statewide) which requires a household income of approximately \$99,000 to purchase. This means only 31% of Brattleboro households can afford the average home price.



Source: American Community Survey 5 year data 2022 (S1101)



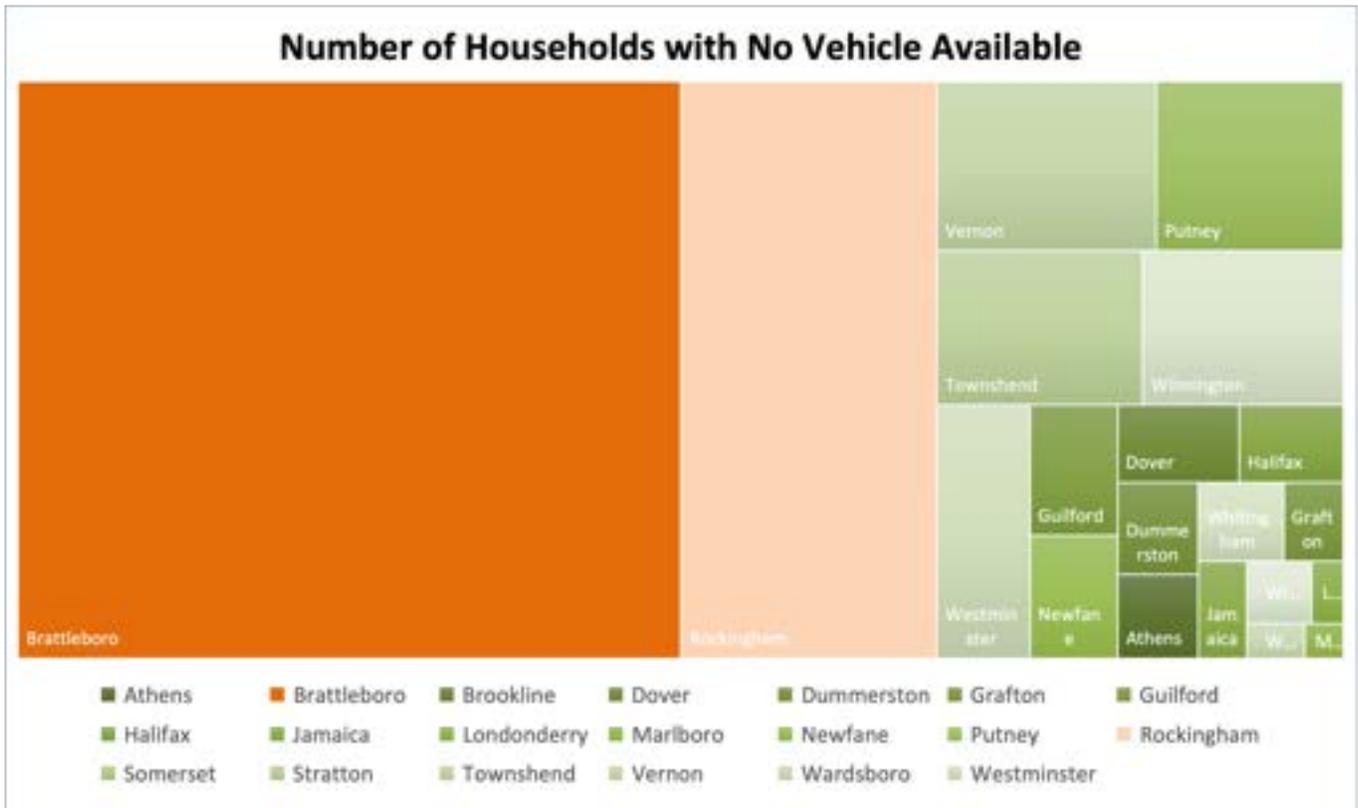
Source: American Community Survey 5 year data 2022 (S1101)



Source: American Community Survey 5 year data 2021 DP04

Housing cost calculations include utilities, rent, mortgage, and insurance. However, they don't take into account transportation costs. Brattleboro is home to the vast majority of Windham County households without access to a personal vehicle. With a fairly extensive public transit network, a compact and walkable center, and the town's attention to bicycle safety, Brattleboro is also a choice for people who opt out of car ownership for reasons other than cost. However, as with the prevalence of apartments and small households, Brattleboro is an outlier in the region with 537 households who do not have a car.

Brattleboro is home to about 50% of the county's 1,134 households with no personal vehicle - 537 Brattleboro households rely upon public transportation or other solutions, by choice or necessity.



Source: American Community Survey 5-Year Data 2017-2021 DP04 Data Profiles Table

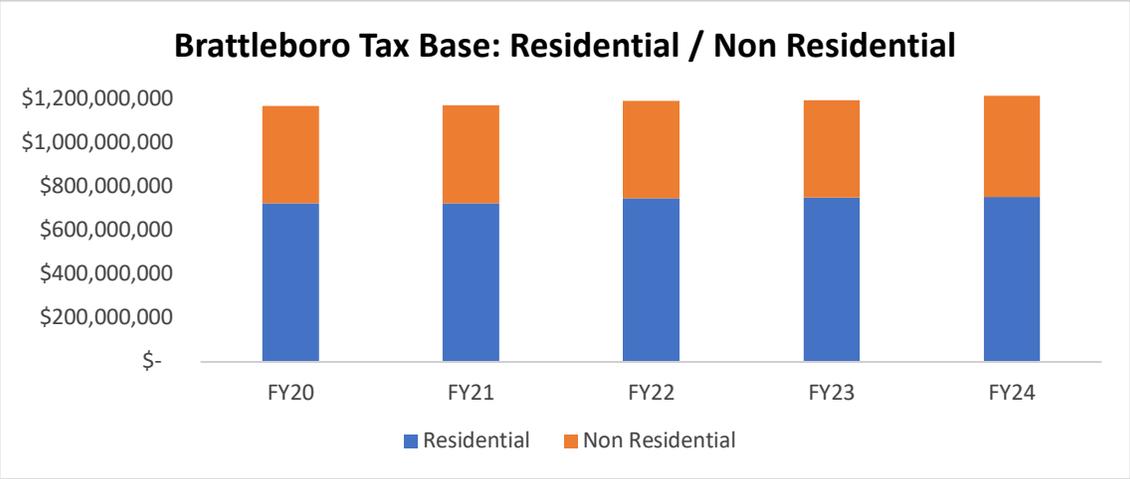
Finally, a look at home ownership shows modest change. In 2017, 51% of Brattleboro housing units were renter-occupied and 49% owner-occupied. 2022 data showed a shift towards owner-occupied - 53% now in Brattleboro. By contrast, countywide only 13% of units (3,024) are renter-occupied versus Brattleboro's 47%. This is neither good nor bad, but it's important to consider in light of the changing needs of the population. Are there enough rental options for the trend to smaller households, empty nesters, and single incomes? Are there home ownership opportunities for people looking to enter the housing market, or change as their family makeup changes?

Taxes

Property taxes are the largest contributor to local revenues. Real estate trends can be slow-moving, with many elements beyond the control of local policy. To get some outside perspective on the local real estate market, BDCC and the Windham Regional Commission secured free real estate data services from SmartGrowth America, based on our status as a nuclear host community recovering from the Vermont Yankee plant closure. SGA can access national data platforms for commercial and residential real estate, and has staff with expertise in using these tools. The SGA residential housing analysis provided will be included in the Windham Regional Commission update to the regional plan in 2024.

However, the commercial real estate data at the county and town level was less helpful, due to the manner in which the data is collected and reported. Unlike the suppression of data that we see in other areas, like employment and wage reporting, this is not an issue of privacy. The commercial real estate analysis platforms rely upon reporting by brokers. They are tools designed for fast-moving metro areas with large commercial markets. Therefore, the commercial real estate data that we utilize is based on BDCC’s real estate services to help companies grow or relocate.

Because property taxes are so important, a key element of local economic development is property development. In general, property tax revenues must keep pace with the rise in liabilities associated with government, whether that’s municipal budgets, school budgets, or state budgets. There are three ways to grow the property “grand list”: creating new taxable development, raising the value of existing taxable property through improvements (redevelopment, additions, upgrades), and rising markets. Vermont’s grand list recently recovered from years of sluggish (or negative) list growth by the latter – a hot housing market driven by the pandemic and long-term scarcity of housing stock. But this leaves budgets vulnerable to market shifts, without solving for problems like housing demand and creating affordability.



Source: Town of Brattleboro

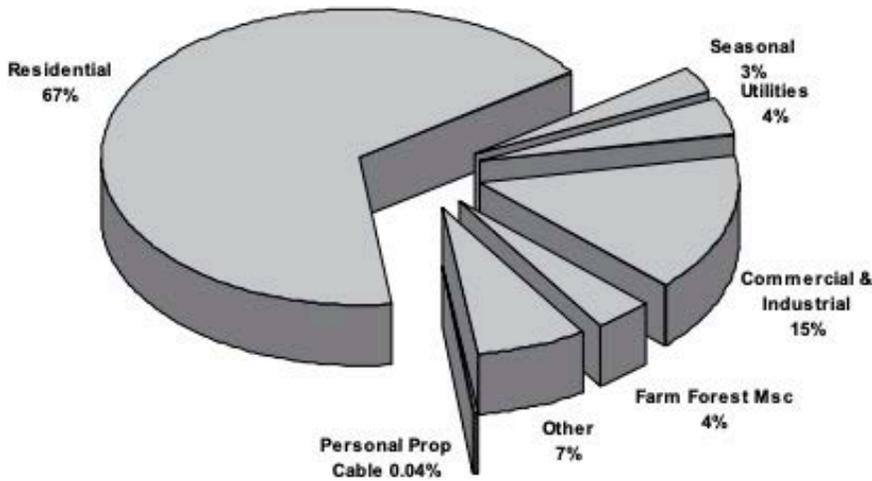
Brattleboro Property Tax Base: Growth

		Total	Annual Growth
FY20	\$	1,169,776,708	
FY21	\$	1,171,510,273	0.15%
FY22	\$	1,193,148,180	1.85%
FY23	\$	1,196,885,473	0.31%
FY24	\$	1,215,606,201	1.56%

Source: Town of Brattleboro

According to the Town of Brattleboro, the split between residential and non-residential property taxes is 62% to 38%, a proportion that has been stable for the last several years. Statewide the share of taxes from residential property is 67% (see image below). As the chart above shows, year-over-year growth averages just under 1%.

2021 Summary of Education Equalized Values – Vermont Statewide

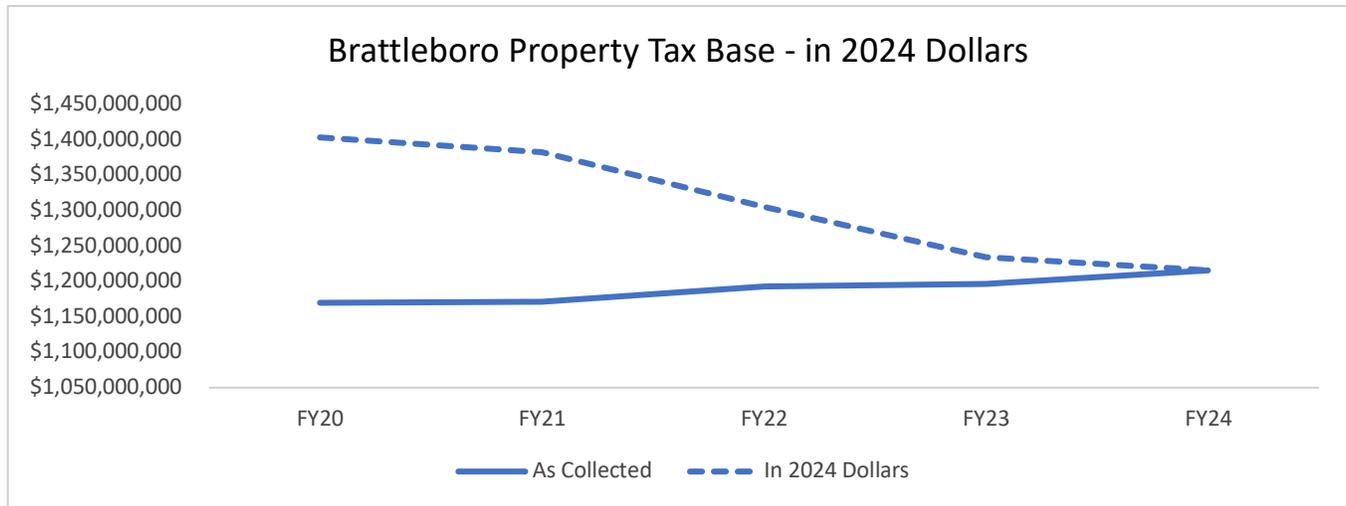


Source: Vermont Department of Taxes Annual Reports

At the local level, analysis of change in the local tax base could look at factors such as building permits and property improvements. This may reveal instances where revenue growth is coming from investment, rather than changes based on appraisal or market dynamics. Improvements or additions to properties contribute to the grand list over time. The reverse is also true – demolition, degradation, and lack of development activity can eat away at the tax base. Understanding these dynamics can shed light on factors driving the residential property tax burden, and perhaps local actions that may support change that provides relief. A high property tax rate motivated the passage of a Brattleboro 1% local option tax

in 2019. Discovering ways to reduce the town’s reliance on residential taxes could inform policy action in the future, because this challenge is unlikely to go away.

As collected in real time, property tax revenues rose year over year. However, when factored into today’s dollars using the Consumer Price Index (CPI), the challenge of keeping revenue growth pace with inflationary growth becomes clear. What this shows is a decline in the “purchasing power” of these local revenues. As collected, average growth in property tax revenue was .97%. Adjusted for CPI it was -3.51%. The charts below illustrate trends in property tax revenues as collected, versus factored in 2024 dollars.

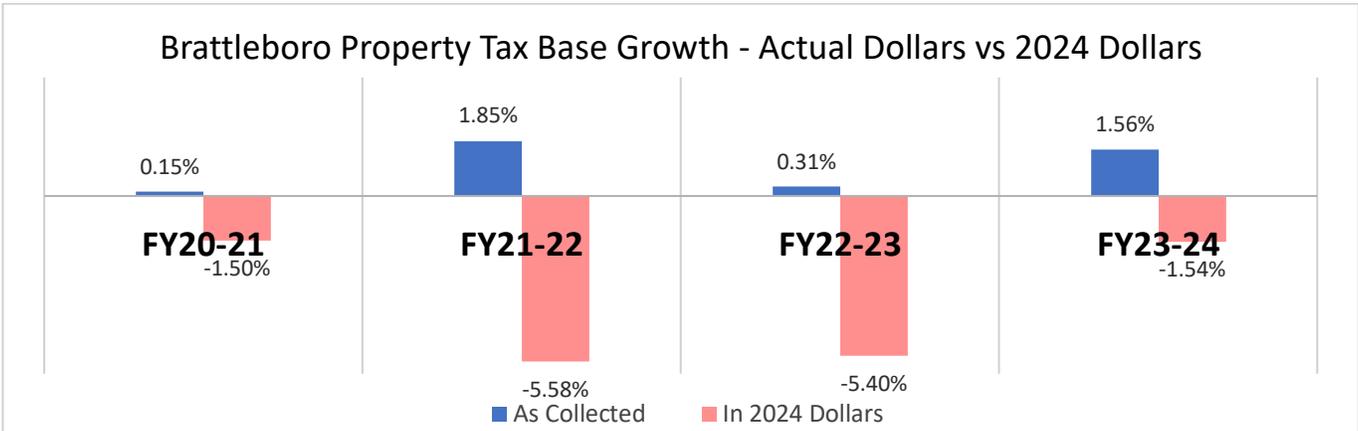


All calculations of consumer price index totals used the Bureau of Labor Statistics CPI calculator <https://data.bls.gov/cgi-bin/cpicalc.pl>

It is beyond the scope of this project to conduct an analysis of the Brattleboro property tax base, but we recommend a joint fiscal impact analysis and economic impact analysis be undertaken. This would allow the town to understand how development might strengthen the tax base, and better leverage the existing infrastructure and services Brattleboro offers. Grand list trends may contribute to, or alleviate, structural deficits.

There are local policies and practices that can foster redevelopment and reinvestment in the private sector with long-term gains to the local bottom line. Brattleboro has done much to update zoning to encourage housing. Some other best practices range from process improvements (like streamlined review, permitting and inspection) through more comprehensive pre-development actions that direct private investment into high-priority projects (such as Tax Increment Finance, brownfield cleanup or infrastructure investments).

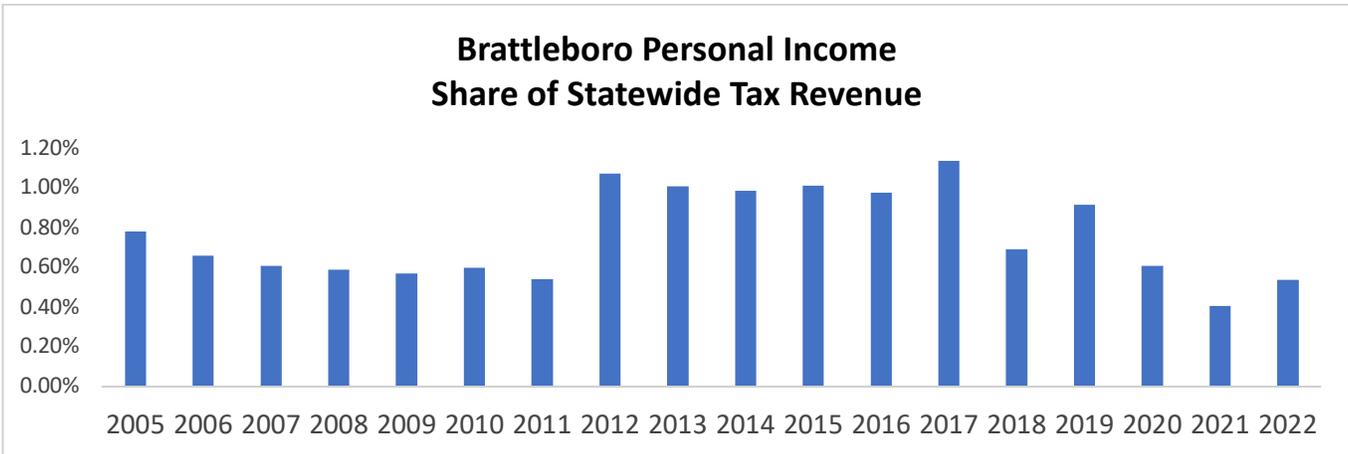
Since the 1980s much of Vermont’s real estate activity, outside of resort areas and the Chittenden region, has consisted of public sector or non-profit projects.



All calculations of consumer price index totals used the Bureau of Labor Statistics CPI calculator <https://data.bls.gov/cgi-bin/cpicalc.pl>

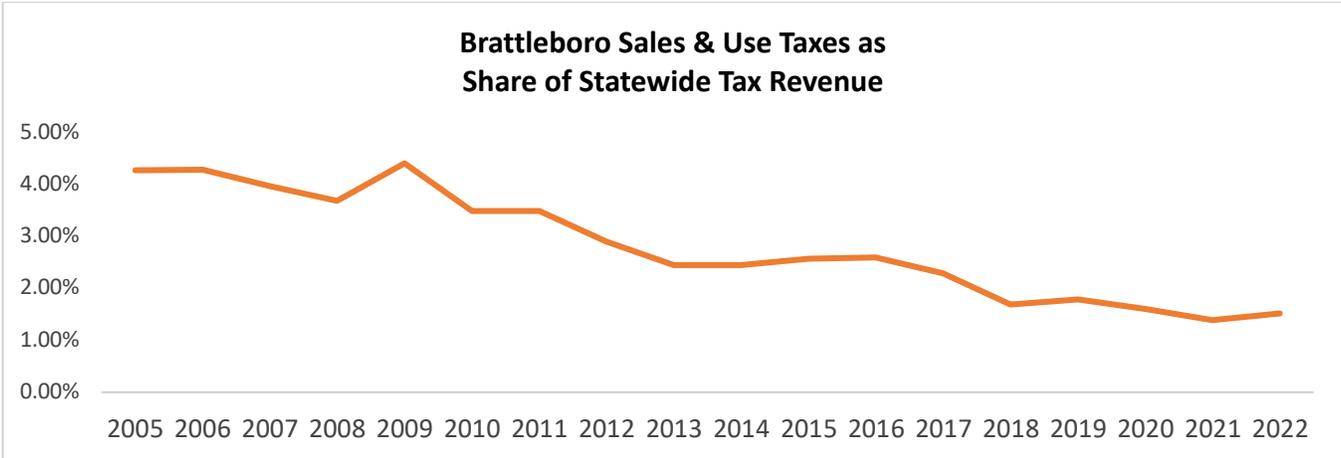
There are exceptions. Here, as across the country, we see a prevalence of private sector development consisting of low-cost (and effectively depreciating) development projects like dollar stores and storage units. There are also many aging structures owned by investors or struggling occupants who are not investing in the upkeep of those assets. Loss of structures altogether - whether through demolition, fire, or abandonment and slow decay – takes a toll on the value of the town’s built environment. Taking together, these factors explain the failure of the town’s property tax base to keep up with inflationary growth in costs.

The experience of communities that have accelerated redevelopment and infill has shown a need for increased planning and permitting resources, local development expertise, and investment and innovation to foster sustainable growth that meets local social, environmental, and economic goals. Projects that confer lasting value, which includes an increase in the long-term financial value of the built environment, can be expensive and complex, like the Brooks House or the Exit 1 shopping center. But investments in the quality, density and tax productivity of Brattleboro’s built environment can pay dividends for decades.

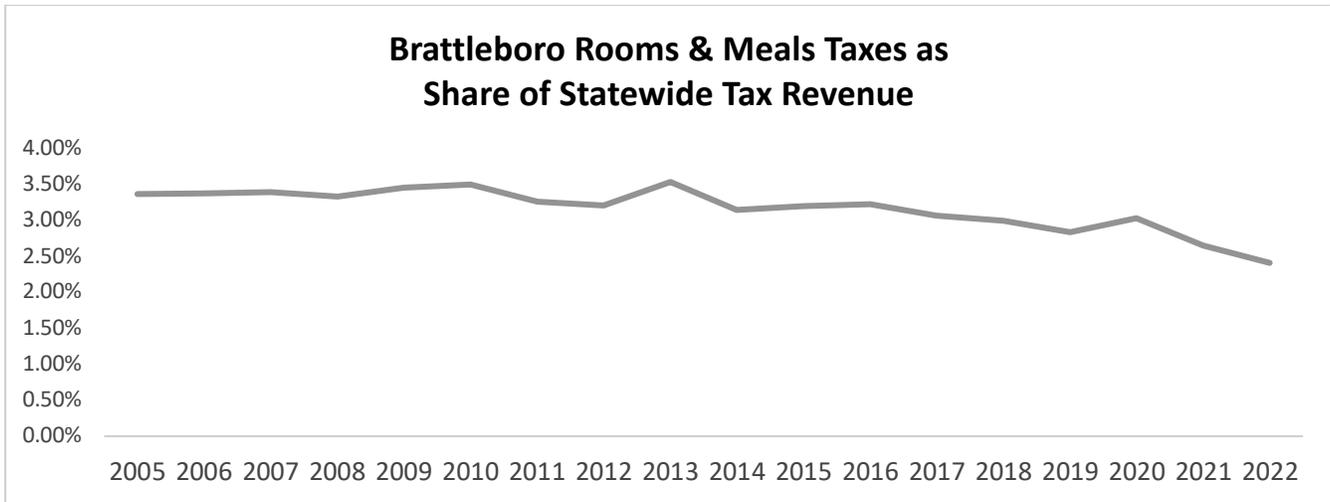


Source: Vermont Department of Taxes

Consumption taxes generate local revenue through the 1% tax and also are a good measure of local economic activity. The data available from the state include Personal Income, Sales and Use, and Rooms and Meals. As the chart above shows, the overall trend in southern Vermont has been that local tax revenue is not keeping pace with state growth levels. The charts below shows Brattleboro’s tax receipts as a share of the state’s overall receipts in each category.

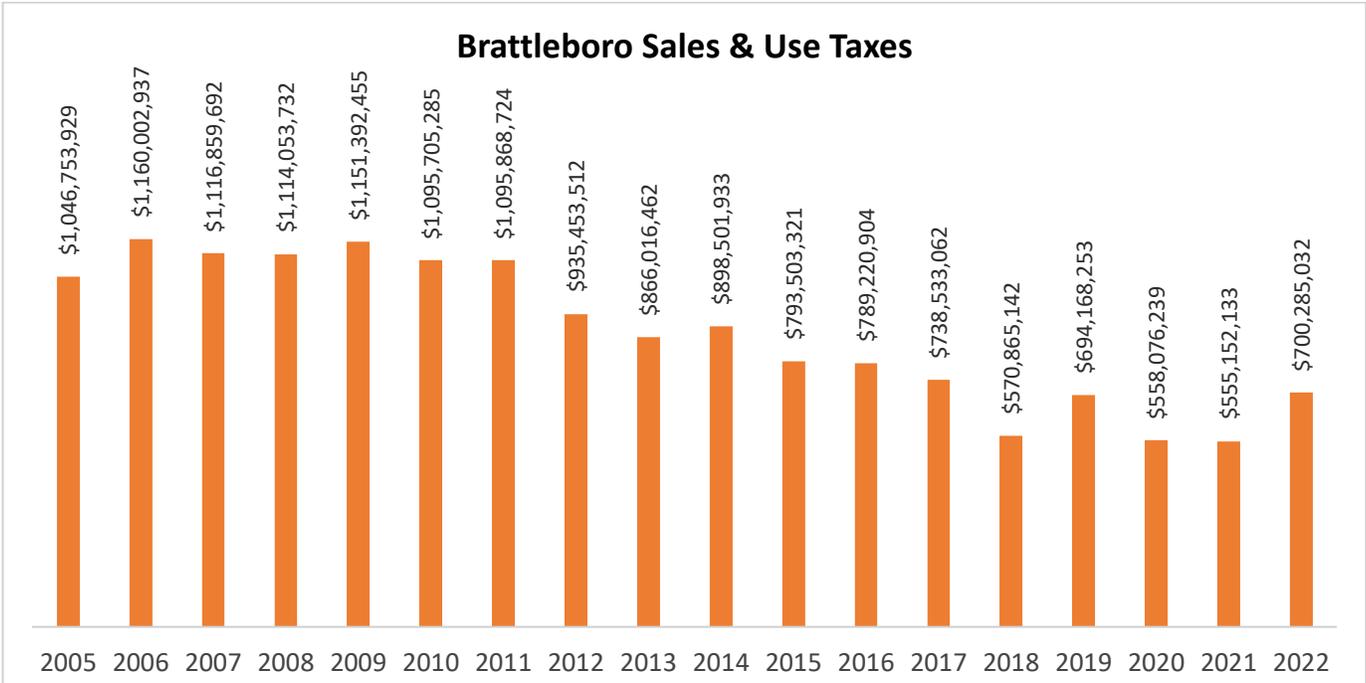


Source: Vermont Department of Taxes



Source: Vermont Department of Taxes

The drop in Brattleboro’s share of consumption taxes in particular is not surprising, given the low household incomes, aging population, and shrinking household size. To some extent the region must rely upon visitor spending to make up for diminished local consumption levels. Visitor spending, whether from nearby towns or far away, constitutes an important source of tax revenue to municipalities. Many variables impact the visitor-centered revenue model, from changing demographics and preferences, to changes in hospitality choices, to weather events.



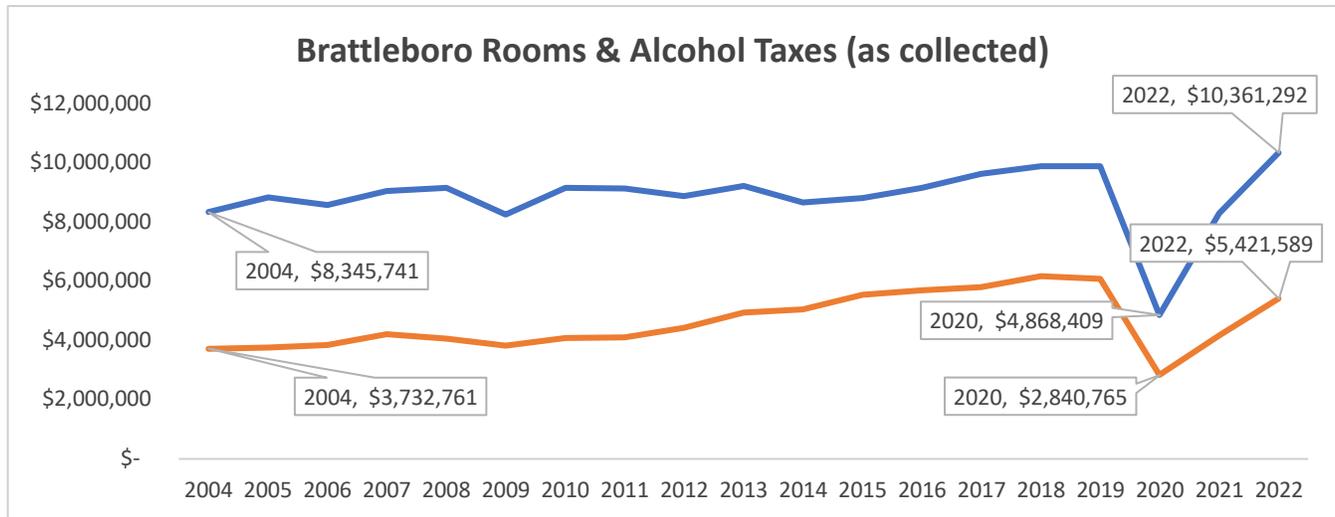
Source: Vermont Department of Taxes

A look at the long term Sales and Use tax receipts provides a snapshot of spending trends in the Town of Brattleboro. From 2004 to the present, the trend downward seems to mirror national trends that have undermined local spending. This includes a move towards online shopping, but also demographic shifts. Older households spend less on groceries and many other basic consumer goods than younger households and families do. Among many households, sluggish wage growth is a factor. Families with children are important drivers of consumer spending. With a rising share of family households in Brattleboro living in poverty, dampened consumer spending is not a surprise.

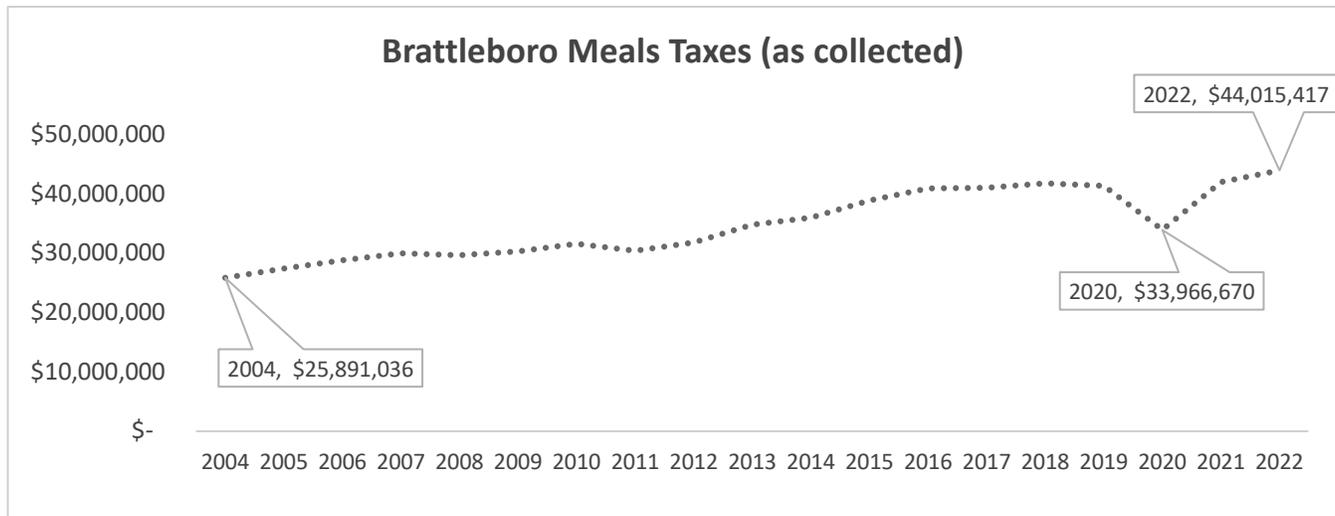
The pandemic brought a major drop in sales and use taxes, which makes sense. Grocery stores were busy as people mainly ate at home, but other “brick and mortar” retail suffered here and across the nation. This lasted throughout 2020 and 2021, but by 2022 the numbers had regained and even surpassed pre-pandemic levels. However, the long term trend is still negative: In 2022 taxable sales were only 54% of 2004 levels. Conversely, meals tax receipts nearly doubled in the same time period. It took a bigger hit during COVID, which makes sense given the limitations on eating out and the number of dining establishments that closed (or limited business) during this time. However, as of 2022, meals tax numbers were on back track, moving upwards in line with pre-pandemic growth.

An economic development consideration at the local level is how local permitting, land use, or other policies impact establishments that generate these taxes. For instance, outdoor seating and takeout

helped some restaurants adapt to pandemic restrictions. Other factors that affect the ability of dining establishments to thrive include workforce availability and transportation, parking, as well as marketing efforts that attract people to the region or town. In Brattleboro’s main town center, the Downtown Brattleboro Association is expert in the needs of local businesses, and adaptations needed to reach new customers and markets. The quality of the downtown is uniquely important to the town’s quality of life. A healthy, vibrant, attractive downtown increases property values and the town’s ability to attract visitors, shoppers, and businesses. The impact of this work is felt well beyond the bounds of the downtown area.



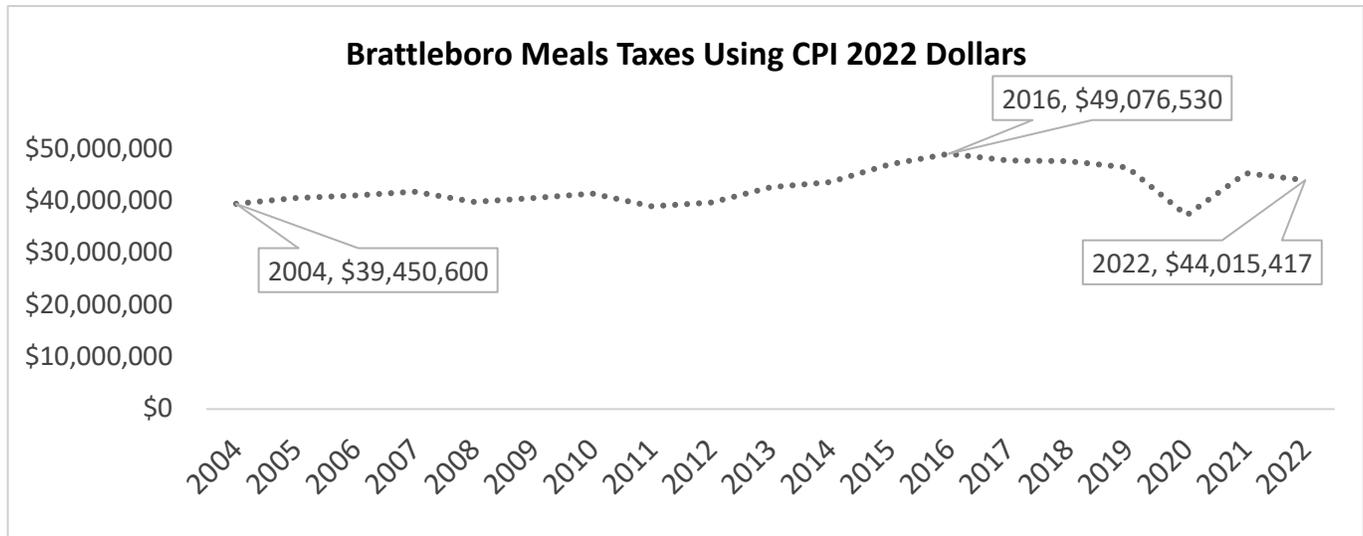
Source: Vermont Department of Taxes



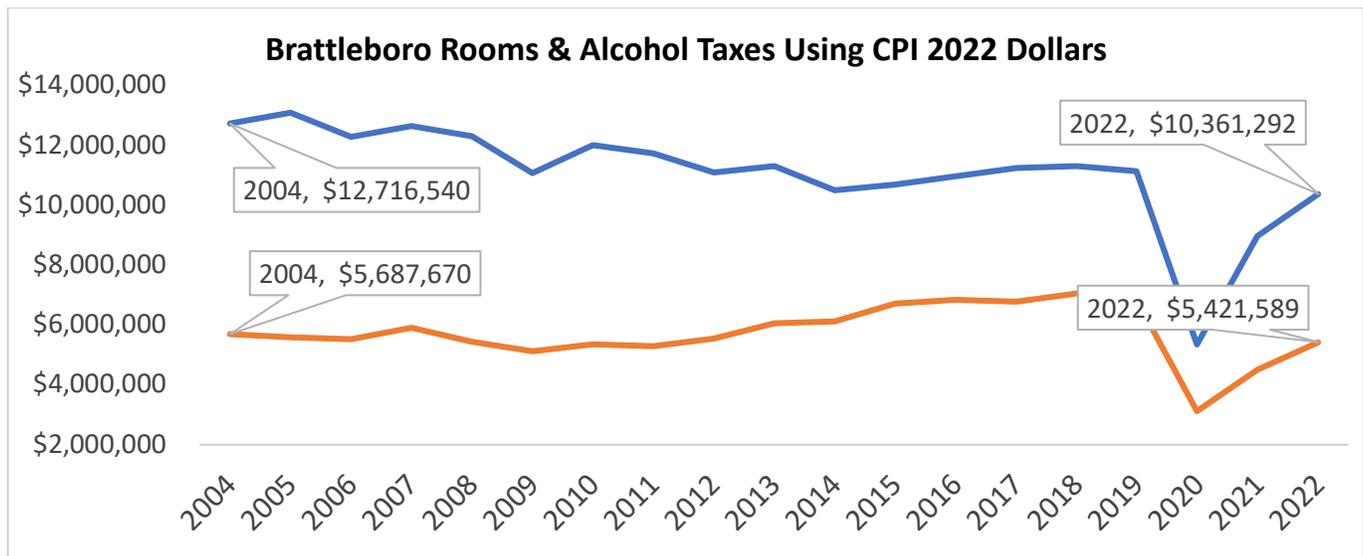
Source: Vermont Department of Taxes

By sheer volume, the majority of consumption taxes are generated outside the downtown, often in high-capacity businesses like grocery stores and national hotel chains located in strip malls and near to highway exits. Understanding sources of local revenue can help to inform community discussions around future land use and development.

Finally, meals and alcohol taxes were recalculated using the Consumer Price Index. What this reveals are the same trend of losing ground to inflation. Meals taxes seemed to peak in 2016, when factored into 2022 dollars. Rooms and Alcohol taxes have rebounded from Covid, but not regained pre-pandemic levels and continue on an overall downward trend.



All calculations of consumer price index totals used the Bureau of Labor Statistics CPI calculator <https://data.bls.gov/cgi-bin/cpi/calc.pl>



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While much of this information comes directly from state or federal data sets, this local report benefits enormously from key research data sets, insights and analysis generated by the entities listed at the start of this report, chief among them Vermont Department of Labor Economic and Labor Information.