

OVERVIEW

Communities are well positioned to address climate change-driven vulnerabilities that stem from both environmental and socioeconomic stressors. Doing so requires accounting for and protecting against the physical damage caused by climate impacts and integrating climate risk adaptation into institutions, governance, and planning. It also requires identifying strategies to cope with a wide range of climate futures.



Of people live in rural areas,
the highest in the U.S.



Of businesses are small businesses,
employ 62% of the population



Of Vermonters have flood
insurance



Statewide flood damages
(2023 and 2024)

UNEQUAL VULNERABILITY

Some Vermonters are disproportionately vulnerable to climate impacts, particularly those who are older, unhoused, have a disability or chronic health condition, or live in rural areas, below the poverty line, or in manufactured housing communities. Vermont has the second highest share of population over the age of 65 of any state (21%) and the highest share of population living in rural areas (66%) of any state (Figure 1; Figure 2). Marginalized groups have the fewest resources to adapt to climate impacts. Reducing climate vulnerability for these Vermonters requires addressing the underlying structural inequalities in housing, income, and healthcare that determine who is most at risk.

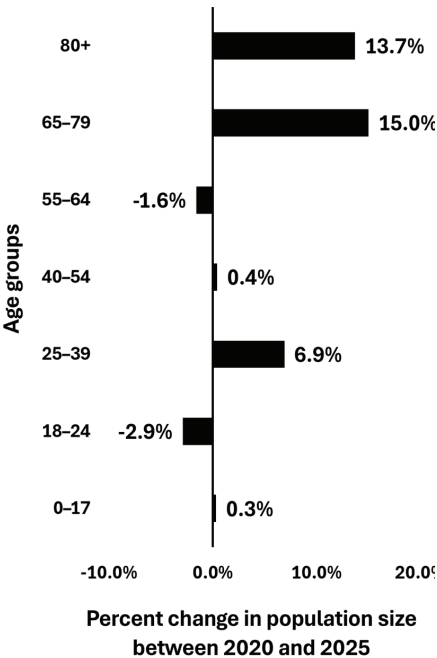


Figure 1 Change in Vermont population by age group between 2020 and 2025, where older age groups (65+) have the greatest increases

Source: U.S. Census Bureau (2024)

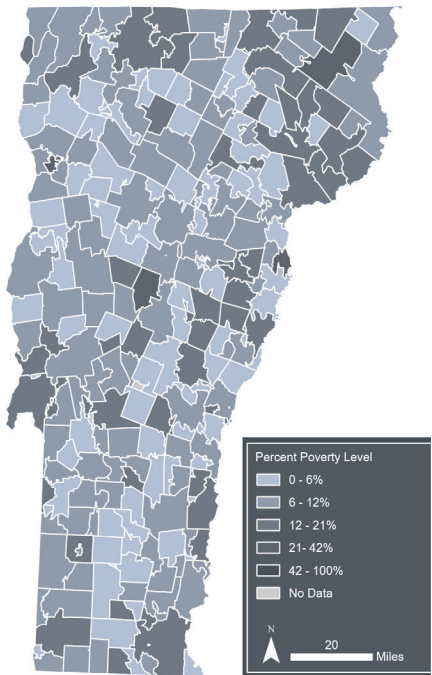


Figure 2 Percentage of people living in poverty by Vermont zip code (2024)

Source: U.S. Census Bureau (2024)

ECONOMIC RISK

Vermont’s small-business-dominated economy is heavily concentrated in climate-sensitive sectors including tourism, agriculture, and outdoor recreation. The healthcare sector, a large employer and contributor to the state’s economy, can be strained by increased utilization of services due to climate-related health impacts. Following flooding in July 2023 and 2024, over 1,000 businesses reported flood damages and less than 20% reported having flood insurance (Figure 3). The state-run Business Emergency Gap Assistance Program (BEGAP) provided emergency matching assistance to businesses impacted by the floods; and securing long-term funding as well as supporting proactive resilience planning for businesses is needed. Repeated disasters exhaust state and municipal budgets, decreasing fiscal stability and limiting spending on other endeavors.



Figure 3 Flooding in Montpelier, Vermont on July 11, 2023

Source: Neal P. Goswami via Reuters

DEVELOPMENT DRIVES VULNERABILITY

Vermont’s historic land use patterns have contributed to its climate vulnerability. The concentration of development in floodplains, combined with car-dependent sprawl, exposes communities to intensifying hazards and often causes forced displacement, while simultaneously driving roughly 40% of the state’s greenhouse gas emissions. Over 1,000 people reported their home was uninhabitable following 2023 and 2024 flooding and over 300 people reported needing immediate shelter. While 264 people have applied for a government home buyout due to recent flooding, only 3% have been paid out. Directing growth to higher ground, financially supporting those looking to move out of harm’s way, expanding affordable housing in safe, compact settlements, and restoring natural stream buffers, are essential for creating climate-resilient communities.

MORE DISASTERS REQUIRE MORE CAPACITY

Between 2020 and 2025, Vermont had 12 disaster declarations; 25% of those disasters included every county. Total federal disbursements to Vermonters amounted to over \$350 million (Figures 4-5) with the highest disbursements following the July 2023 flood event; yet these do not cover the over \$1 billion in damages caused by 2023 and 2024 flooding alone. Addressing these extreme weather events proactively requires increasing capacity within government and through community-led efforts. Vermont’s emergency management system is fragmented and under-resourced, and federal disaster support is becoming less reliable. Building durable state and regional capacity, with community-led organizations formally integrated into emergency planning, is critical.

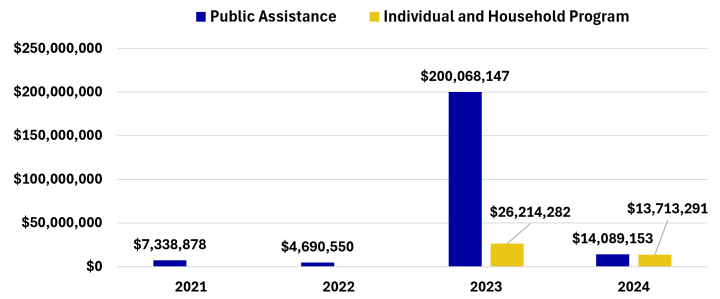


Figure 4 FEMA Public Assistance and Individuals and Households Program disbursements to Vermont 2021–2024

Source: FEMA (2026)

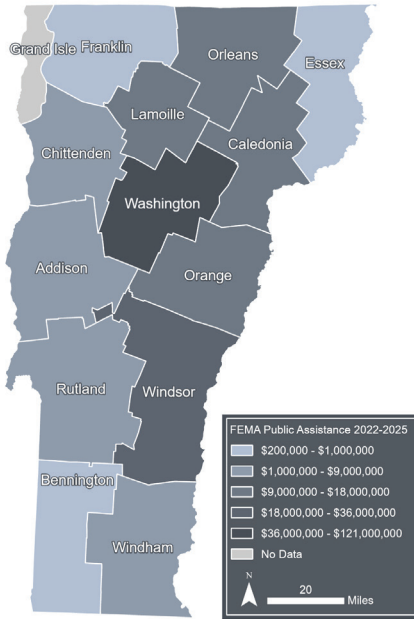


Figure 5 Federal Emergency Management Agency Public Assistance awards by county 2022–2025

Source: FEMA (2026); PolicyMap (2025)