



Written Legislative Testimony for the House Committee on Commerce and Economic Development on support of the Micro Business Development Program

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Introduction

Good afternoon Honorable Chair, Vice Chair and representatives of this committee thank you so much for having me here today. My name is Rachel Goldstein, and I am the Program Director of the Financial Futures Programs at the Champlain Valley Office of Economic Opportunity (CVOEO). CVOEO is one of the five agencies in the Vermont Community Action Partnership (VCAP). Last year, VCAP efforts supported 46,236 Vermonters with low incomes.

At CVOEO, we operate 10 distinct yet interconnected programs that provide emergency services like shelter, housing, food, and warmth as well as services to help people gain economic independence like Head Start, Personal Finance classes, Weatherization and Micro Business Development.

This past year, the statewide Micro Business program assisted 70 individuals in starting small businesses. The majority of our work is conducted through 1:1 coaching sessions however, each program also provides educational workshops. At CVOEO, we worked with 197 micro business owners in the northwest region of Vermont, 168 of which identify as low or extremely low income.

Our services are provided free-of-charge to some of the most vulnerable business owners in the state. Our clients are easy to overlook as they are not as big or as lucrative as other businesses in the area however, they are viable, contributing businesses which aid in the development of Vermont's economic landscape. We are in a unique position to support emerging needs in the face of unplanned challenges such as the pandemic and the recent flooding.

Last year, the VCAP network received \$493,339 to support the statewide Micro Business initiative, which breaks down to \$98,668 per program. This year, we would like to request \$651,000. This increased funding would allow the VCAP network to bring on an additional full time equivalent (FTE) position and to provide competitive and fair salaries for our existing business coaches. In both Central Vermont and the Champlain Valley, our coaches are at capacity, scheduling clients 2-4 weeks out. An additional FTE would decrease wait times and

allow the statewide initiative to work with more clients while continuing to support those already in the program.

Lastly, I would like to touch on the power of the EMBRACE grant which distributed \$4.5 million dollars to 907 Vermont business from 2020 – 2022. These were \$5,000 grants designed to help people start or to save their businesses as we emerged from the COVID-19 pandemic.

\$5,000 may not seem like a lot of money for a business but for our clients, it was a lifeline. This kind of funding can help small businesses get off the ground and create part-time or eventually full-time businesses, help stabilize current businesses or help them expand. A similar program would be worth considering for the future.

I would now like to introduce Simeon Geigel, one of CVOEO's Micro Business Coaches, to share his experience working with clients:

Greetings Ladies and Gentlemen, it is a pleasure to speak with you and share information about the Micro Business Development Program. Thank you for this opportunity.

I'm Simeon Geigel, 1 of 8 current Micro Business counselors serving the State of Vermont. I work with low to moderate income Vermonters living in Addison, Chittenden, Franklin and Grand Isle counties, the counties CVOEO covers. I've been with the program for 25 years and over that time have worked with thousands of people to help them with their entrepreneurial goals.

You heard my Program Director share an overview of our program and statistics.

As one of the Micro Business Counselors in the Program I'd like to share what my experience is like working with our clients, give you an understanding of our clients and their needs, provide you with a sense of our process, what I feel often differentiates us from other business development providers and an example of a client I worked with that encapsulates these points.

We work with a very diverse client base that mirrors our community, including those who are unemployed, underemployed, people with disabilities, single parents, people within the LGTQA+ community and New Americans to highlight a few. They're coming to us for help starting a business, expanding their business or their having trouble in their business and need help finding a solution to their issue. The vast majority of our work is providing 1 on 1 business counseling in addition to our business classes. The reality is that every person we work with is a unique, customized experience because each of them brings both their strengths and personal challenges to the table. We help, discuss and teach people about fundamental business issues like pricing, promotion, competitive advantage, business systems, how to formalize their business, etc. and help them navigate more complex issues as they grow and evolve. We help them write business plans, access funding, develop financial projections, etc. But we can't look

at our clients in vacuum and simply focus on their business. We take a more holistic approach. Due to a variety of factors we often have to take a detour from our business counseling to help our clients navigate personal issues so we can get back to working on their business. Some of these issues include: emergencies that arise, housing, health issues, food insecurity, family issues, and recently weather-related issues, like flooding and so on. I don't think most people are aware or give us credit for the social work component we provide to our clients probably because we don't talk about that aspect very much.

We want to help our clients start and operate sustainable businesses which means different things to different clients. Some have a goal of developing a full-time business and they may or may not hire employees but they want their business to generate a full-time income for their household, most are sole proprietors or single member LLCs. Others, want to start or operate a part-time business to generate a part-time income because that allows them to take care of their children, elderly parents, compliments a part-time or full-time job they have to make ends meet or they may have a disability and they need the flexibility that running their own business offers that a job just can't offer them, and works in conjunction with earning limits that programs like SSI or SSDI imposes. We often work with many clients for years as they transition from one business phase to another.

We also help our clients from making poor decisions and rushing into situations that create more problems. This is difficult to count as an outcome but we do this work too. Of course, we've also helped many people make the decision to postpone or not go into business by helping them think things through. In many instances we encourage people to get a job in their field of interest before starting their business to gain experience and insight. So, the work we do is an investment in the people we work with and the community at large. Our work with clients is usually slow and progressive but there are often setbacks, it is not a fast process because there is a lot to cover, there is a learning curve for our clients, and all this has to be balanced out with managing everything else in their lives. We do believe self-employment is a realistic and important option for low income Vermonters to generate income, create stability and generate transferable wealth and assets for future generations. Vermont also needs construction businesses, personal care businesses, artists, food businesses, independent retails, etc. to create and maintain a dynamic place to live and visit. Our clients operate these kinds of businesses and more!

I think it is also important to point out that we refer to and collaborate with other business programs to support clients we work with, including the SBDC, Women's Small Business Program, the Food Venture Center, VT Law School and City of Burlington to name a few, to tap into the various strengths they all bring. These programs also refer clients to us to work with as our strength is our ability and willingness to provide consistent, individual intensive, long-term business counseling to the people we work with. On a personal note, our other strengths are that we're kind, patient and non-judgmental which is important with the client base we work with that often has a history of people telling them "NO" or "You can't do that".

Case Study Example:

To illustrate my points above I'd like to share a couple of examples of work I did with one client: I'll refer to as Jane is a New American client from Thailand- started working with her several years ago, initially wanted to start a restaurant, then importing a food product from her family's business in Thailand. Over a period of at least 1 year I helped educate her on the details associated with these different businesses and connected her with and coordinated a number of meetings with other agencies that played a role in this process including her local Zoning office, meeting with the local health inspector about operating a home based food business, the VT Food Venture Center where we toured their facility, they tested her products and provided feedback, we connected with Customs and a Broker at the border to learn how the import business works, how cargo shipping works and what the costs are- it was a real educational experience. Based on what she learned she decided not to pursue these businesses. She then wanted to start a massage business and graduated from an area massage school. I researched and identified a great low cost, low barrier incubator business for massage therapists where she could start her business. I helped her research and identify what she needed to start the business- business equipment, supplies, credit card machine, insurance, etc. I helped her complete a business plan which was recently submitted to Hire Ability, a program that supports people with disabilities, for a \$2,500 grant to help her purchase the items she needs to start. We were sidetracked during this process by the floods that hit her town. She was unaware of help that was available for her and what she needed to do. I helped connect her to resources like FEMA and even participated in meetings with her, like with her State Farm Insurance agent and the State of Vermont to test her well water because she needed that level of support, English is her second language. She is a 65-year-old widow and wasn't use navigating these kinds of issues, her husband tended these things when he was alive. During this time her sister had a stroke and needed to move in with her and she became her full-time caretaker. Her sister recently passed away and my client is currently back in Thailand to mourn with her family and spread her ashes. She is a wonderful example of someone that works really hard, is entrepreneurial, clearly still believes in the American dream and wants to earn more income, provide for her family and help others. Her example may seem extreme to you, but it is not to us. There are different versions of this story with the people we serve. That said from our end of things it takes a commitment to want to help people, meet them where they are, stay engaged, keep their best interests in mind, make ourselves available to help them with their business goals and help them navigate issues that arise so they can try to stay on track.

Thank you for the opportunity to share information about our program.

Now, I'll pass things over to my co-worker, Pacifique Nsengiyumva, Business Coach representing the Office of Racial Equity and Community Inclusion:

I joined CVOEO's Micro Business Program in 2022 with the Community Navigator Pilot Program (CNPP). This statewide network was established to provide wholistic support for historically disadvantaged business owners including women, veterans, New Americans, and members of the BIPOC community. The program ended in 2023 but the spirit of the program remains through the connections that were formed.

One example of a creative partnership that arose from the CNPP network for serving immigrants, refugees, and new Americans was our now annual event: Lunch with Lenders. This event was designed in partnership with the Small Business Administration and Vermont Professionals of Color Network. The intention is to remove barriers in accessing capital by connecting community members directly with lenders and providing interpretation for those who need it. In it's first year, we hosted 20 BIPOC business owners at the event. In year two, we were able to welcome 75 BIPOC business owners at the event!

Now I'd like to tell you about CVOEO's Office of Racial Equity and Community Inclusion (ORECI). This office provides interpreted workforce development training, education and referral services using a cohort of Community Ambassadors – trusted community members of seven language communities in our service region. Community Ambassadors are trained to support career navigation, referrals to better paying jobs, and job readiness support to fulfill the unmet needs of New American community. This service is invaluable when working with someone who is trying to start a business and doesn't speak English!

In the absence of available, livable wage employment many New Americans turn to self-employment by starting small businesses to support themselves and their families. CVOEO's Micro Business Development Program (MBDP) has been particularly useful for New Americans seeking to transform their own cultural backgrounds, experiences, and creativity into income generating businesses.

Another partnership to highlight was a collaboration with the Generator Makerspace in Burlington to provide a three-week job readiness training, skill training, small business development program for a cohort of thirteen New American community members whom had expressed interest in learning to sew. This program was called *Sewing for Success*. After three weeks, all thirteen participants obtained job-readiness training and skills that can be applied to future employment as seamstresses, tailors, or sewests. All are now equipped with a tool – the sewing machine – that in the future might generate income through employment or self-employment.

Finally, I would like to share a bit about a client I worked with last year.

A client from the New American community approached our office with a request for business support which was launching a Fashion Show Event. This event brought about 65 New American community members where both cultural and modern design were displayed and shown to the attendees, giving the business owner a chance to show her talent and skills. This event wouldn't have been possible without the support of the CVOEO Micro business development program.