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**Testimony For the Child Poverty Council
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The Child Poverty Council's 2009 report, *Improving the Odds for Kids*, outlined two specific recommendations related to the Department of Economic Development:

- 1. State government will improve and expand existing economic development programs specifically designed to meet the unique needs of rural Vermont.*
- 2. The Council will include state agency and community partners who specialize in rural economic development in pursuing the shared goal of creating infrastructure, developing innovative job creation programs, and ensuring supports for families seeking employment or creating a small business.*

The report outlined two areas, in particular, that could provide avenues to improve conditions:

"Ready access to higher wage jobs in rural communities would be the ideal solution...."

"Microbusiness and asset building programs, such as individual development accounts, present another opportunity for economic development in rural areas."

The Department of Economic Development has undertaken the following initiatives to create jobs and better wages, with a focus on rural areas and a dedication to improving the economic well-being of low-income households.

A. EB-5 Investment Creates Jobs in Rural Area:

The Department of Economic Development has worked closely with private businesses to establish EB-5 investment for projects located in some of the states' most rural areas. EB-5 has brought in more than \$312 million in investment. It has resulted in significant job creation and economic activity, providing jobs in construction, hotel services, hospitality and more. For instance:

- Development of the combined Jay Peak projects has generated more than 4,790 indirect jobs since 2009. Operations have indirectly created another 563 jobs.
- The combined projects in the Northeast Kingdom Development Initiative are projected to create more than 9,000 jobs directly and indirectly.
- EB-5 investments have also helped save 374 jobs and add 57 new ones at Sugarbush Resorts.

- EB-5 funding helped save more than 394 jobs at Country Home Products facility in Vergennes.

B. VTP Workforce Training Increases Wages

The Vermont Training Program, a part of the Department of Economic Development, works with partner businesses and training providers across the state to offset the cost of short-term skill upgrades for employees.

The Vermont Training Program has a history of pushing (pulling) industry to provide a higher wage and benefits to employees. It's early eligibility requirements included a percentage above state minimum wage and offering employees' health insurance at a time when minimum wage and little to no employee benefits were the norm. While these eligibility requirements have changed a bit over the years they are still grounded in a wage well above minimum and offering employee benefits.

As a snapshot, in FY2012, the Vermont Training Program served 3,861 employees across the state. For employees with Partner Businesses the median wage for "New Hires" was \$20.67 with a wage increase of 44.4%. Incumbent employees had a median wage of \$25.19 and a wage increase of 6.5%.

C. The Department of Economic Development Helps Partners Grow Small Businesses.

The following organizations, in addition to the regional development corporations, are advised and partially funded by DED.

Small Business Development Center: Working with small businesses and start-ups, the SBDC managed to create 141 jobs and retain 401 in FY2013. It started 61 businesses, ranging from a maple sugaring operation to an online retailer specializing in used guitars.

Vermont Sustainable Jobs Fund provides grants, technical assistance and loans to many of Vermont's emerging businesses in sustainable agriculture, forest products and biofuels. The VSJF Farm-to-Plate Initiative—a 10-year-initiative to improve Vermont's food system, grow farms and their profitability—will have a long-term impact on rural Vermont agriculture.

Vermont Employee Ownership Center assists hundreds of businesses (many small and family-owned) in broadening capital, increasing jobs and the living standards for families and preserving the local ownership and sustainability of Vermont businesses. This may mean transitioning a privately held company to employee ownership (as was done in late 2012 with the more than 100 employees of Concepts NREC) or planning succession in family-run businesses.

Vermont Women's Business Center provided one to one business counseling to 230 women in Vermont in 2012, exceeding the delivery projection of 160 individuals counseled. Of these 230 women, 85 (about 37%) had existing businesses. The businesses operated by VWBC clients are: Retail (26%), Arts (18%), Professional Services

(22%), Agriculture (9%), other services (12%), Wholesale (5%), Manufacturing (2%), Education (1%), Real Estate (1%), Health (3%), and Food Services (1%). In 2012, 19 new businesses and 29 new jobs were started. VWBC also conducted 24 training events with a total of 357 women and men participants; for a total of 587 receiving business development services.