

VLIAC Vermont Low Income Advocacy Council

“Celebrating 48 years of representing the interest of low income Vermonters”

House Appropriations Committee - Advocate Testimony

The Vermont Low Income Advocacy Council has many priorities in this budget both to maintain the safety net for the short term needs of those Vermonters who are struggling, and to support investments in those anti-poverty programs and policies that assist folks in achieving economic stability for the long term.

The list of priorities is long, but today I'd like to focus on three of those key economic programs that the legislature has continued to invest in over the years. The Micro-Business Development Program (MBDP), the Vermont Matched Savings Program (Individual Development Accounts – IDAs) and Financial Capabilities. These are three proven strategies to move people out of poverty.

As you know the Governor's proposed FY 2021 budget has eliminated the funding for both the MBDP and the IDA which includes the critical financial education and coaching as part of the program for participants.

For a number of decades these key programs have created jobs, increased income, grown assets, and provided lifelong financial skills that stabilize, and improve the lives of low income Vermonters.

The last 10 years history of numbers from the Office of Economic Opportunity show that the MBDP has served over 8,000 low income Vermonters; over 1,000 new business starts and expansions; 872 jobs created, and \$10 million dollars of capital leveraged. The state investment is under \$3,800 dollars per job.

Since its inception 1,023 Vermonters have completed the multi-year matched savings program and saved over \$2.8 million dollars to start a business, buy a home, or invest in post-secondary education. Many more have benefited from the financial education provided as part of the Matched Savings program and the MBDP.

For the last three years the legislature has recognized the value of these successful programs and invested an additional \$100,000 of “one time” money in each of the last three years.

The Advisory Council on Child Poverty and Strengthening Families has included these strategies along with others as recommendations for economic empowerment

The 2020 Annual Reach-Up Report also shows that economic empowerment programs that enable families to build assets and learn about their finances at the same time provide a crucial income boost for very low-income families.

Please continue to fund these programs. These are a unique set of programs that address critical needs for this population that do not exist elsewhere in the State. They are worthy of the State's continued investment.

Thank you for your consideration

Karen Lafayette, VLIAC Legislative Liaison

I include excerpts from the Advisory Council on Child Poverty and Strengthening Families recommendations and links to both the 2019 and 2020 Reach-Up Reports to the Legislature.

Advisory Council on Child Poverty & Strengthening Families
<https://legislature.vermont.gov/committee/detail/2020/341>

4. Economic Empowerment and Employment Supports

The Advisory Council recommends:

- a) increasing the minimum wage for all workers in Vermont to be consistent with a livable wage alongside corresponding adjustments in benefits eligibility to avoid perpetuating the benefit cliff;
- b) the adoption of paid family and medical leave legislation, which provides economic support and job security to families facing serious illness or to bond with a new child;
- c) increasing base funding for economic programs that create jobs and build savings and assets, for example the Micro-Business Development**

Program and the Vermont Matched Savings Program (formerly Individual Development Account);

d) investing in workforce training, financial capability, and financial literacy education;

e) supporting transportation-related public initiatives, including increasing public transportation options, increasing access to reliable and affordable vehicles, and providing license fee and fine remediation assistance;

f) supporting funding for tax preparation programs for persons with low income, such as the Volunteer Income Tax Assistance program;

g) increasing cash assistance to Vermont's most vulnerable families to 100 percent of basic needs and eliminate the \$77/monthly penalty for families with an adult who has a disability; and

h) continuing to increase the income disregard and asset limit in the Reach Up program.

Reach-Up Annual Report 2019

<https://legislature.vermont.gov/assets/Legislative-Reports/Reach-Up-Annual-Report-2019.01.31.pdf>

“The Consumer Financial Protection Bureau has reported that “access to financial coaching resulted in measurable gains in three areas: money management; objective financial health metrics like savings, debt levels, and credit score; and subjective feelings of financial confidence and financial well-being,” as found by an Urban Institute study”.

Reach-Up Annual Report 2020

https://legislature.vermont.gov/assets/Legislative-Reports/Reach-Up-Annual-Report_FINAL_2020.01.15.pdf



“The creation of the safety net during the twentieth century was a wonderful achievement, but the task of the twenty-first century is to create a ladder so that people can climb out of poverty.”

~Robert Friedman, Founder and Chair Emeritus, Prosperity NOW

Creating a Vibrant Opportunity Economy for All Vermonters

VT Community Action Agencies' (CAAs') Agenda for the 2020 Legislature

More than 25% of Vermont households are one layoff or serious medical incident away from falling below the poverty line. Despite these startling numbers, creating a vibrant economy—an *opportunity economy* in which all Vermonters thrive—is within our reach. The financial security strategies outlined below offer proven on-ramps into the economy and strong returns on investments for families with low incomes. These well-researched and demonstrated programs create and enable improved access to jobs, enhance financial stability, and help people build and manage assets, while addressing economic inequality.

It is recommended that every agency of the state share *responsibility and resources* to stabilize low income families, break down barriers to successful employment, and support initiatives that foster job creation, workforce development, financial capability, and economic opportunities where appropriate.

The Micro Business Development Program (MBDP) Since 1989, MBDP has provided free business technical assistance (training and counseling) and access to capital to low-income Vermonters. The Vermont Community Action Agencies (CAAs) work in conjunction with many partners, including other service providers, state agencies, business technical assistance providers, and lenders, both alternative and traditional. Each year, an average of 115 businesses are started or expanded across Vermont, 86 new jobs are created, and more than \$1 million in capital is accessed. **The State base funding for MBDP is about \$298,870. In each of the last three years the Legislature has invested an additional \$100,000 in “one-time” funds in the program. The ten-year average cost per job is less than \$3,800.**

Vermont Matched Savings Program (Individual Development Accounts-IDA) Established with the creation of 33 V.S.A. §1123 in 2000, the Legislature has invested annually in the matched savings (IDA) and financial education program that helps low-income Vermonters invest in their future by enabling them to build financial assets. Program participants save—and receive matched funds from the State—to purchase or repair a home, invest in job training or post-secondary education, or start and grow a business, while also increasing their financial knowledge. Since 1997 with the inception of Federal IDAs, 1,030 Vermonters have saved and invested \$2,819,555 in their future, much of which has helped support their local economy. Of those, 605 have invested in businesses, 257 in education, and 224 in first-time homeownership. **State funding for the IDA program in each of the past two years has been \$170,000 to match the savings of participants and provide the financial education.**

Financial Education, Coaching, and Credit Building Services To overcome barriers to financial security, financial capability education & coaching services empower people to stabilize their finances, set goals and work to achieve them, and sustain successful financial behaviors over time. The knowledge and skills gained by low-income Vermonters enable them to manage their scarce resources, repair or build credit, and establish or strengthen connections to financial institutions. Many families participating in financial education programs have started or increased their savings, increased use of budgets and decreased debt. Additionally, a national study found that 58% of low-to-moderate-income individuals receiving financial coaching and credit building services increased their credit score as a result. These services can be, and have been, customized to meet the particular needs of Reach Up families. **These services are partially funded through the base appropriation to the Vermont Matched Savings program. There is currently no additional State funding.**

The Volunteer Income Tax Assistance Program (VITA)

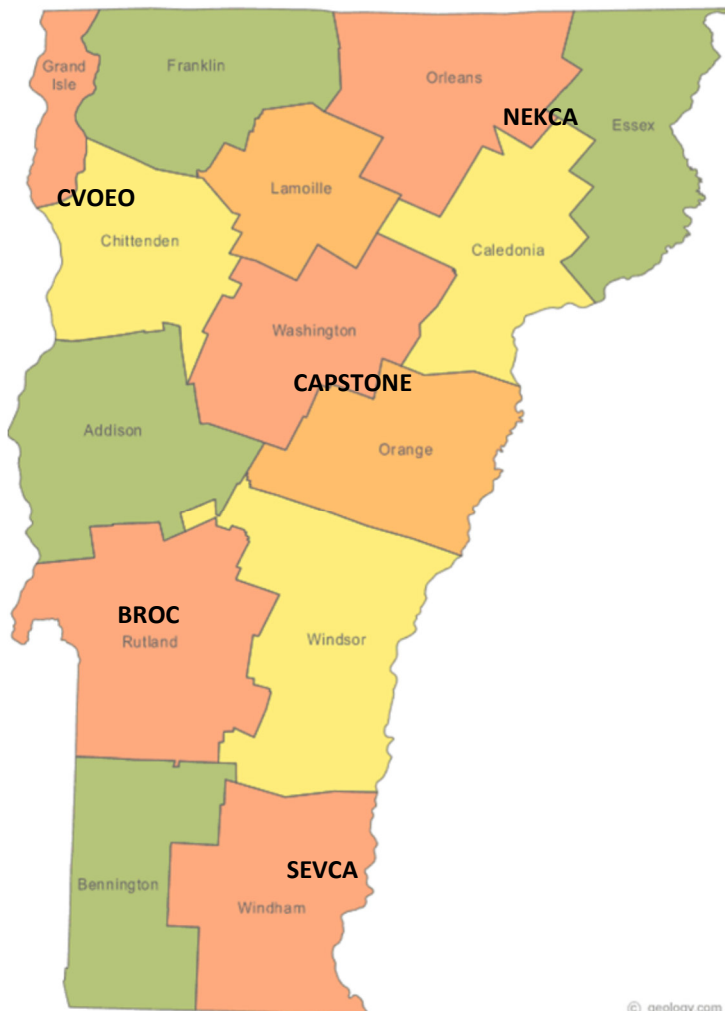
The Volunteer Income Tax Assistance (VITA) offers free tax preparation for anyone with annual income of less than \$55,000. In FY2019, the VT CAAs completed 3,986 Federal returns and 4,538 State returns. The total refunds and tax credits brought \$5,365,971 back into the state economy and helped stabilize low-income Vermont households. VITA has a 94% accuracy rate, higher than any other tax preparation service. In addition to the State and Federal returns, CAA agencies assisted households with Renter's Rebate applications and Homestead Declarations. **This program receives a small federal grant (\$63,700) and some occasional discretionary funding, but no State general funds. The cost of the program statewide is \$189,000.**



In combination, these CAA Economic Development programs provide Vermonters with low incomes opportunities to enter and succeed in the workforce, start and retain successful small businesses, enhance their financial capability, build or repair credit, achieve economic stability, and create and use financial assets effectively to invest in a better future for themselves and their families as well as a stronger and better Vermont.

"We start with the recognition of the capacity and productive potential of low-income and economically-marginalized people: they are all potential creators of wealth, whether as skilled workers, entrepreneurs, home owners, savers or investors."

~ Robert Friedman ~



BROC—Community Action in Southwestern Vermont
45 Union Street, Rutland
PH: 802-775-0878 / 800-717-2762
www.broc.org
Serving Bennington and Rutland counties

Capstone Community Action
20 Gable Place, Barre
802-479-1053 / 800-639-1053
www.capstonevt.org
Serving Washington, Orange and Lamoille counties, six towns in northern Windsor county and the towns of Pittsfield, Hancock and Granville

CVOEO—Champlain Valley Office of Economic Opportunity
255 South Champlain Street, Burlington
802-862-2771
www.cvooe.org
Serving Chittenden, Franklin, Grand Isle & Addison counties

NEKCA—Northeast Kingdom Community Action
Newport: 70 Main Street / 802-334-7316
St. Johnsbury: 115 Lincoln Street / 802-748-6040
www.nekcavt.org
Serving Caledonia, Essex and Orleans counties

SEVCA—Southeastern Vermont Community Action
91 Buck Drive, Westminster
802-722-4575 / 800-464-9951
www.sevca.org
Serving Windham county and most of Windsor county



The Micro Business Development Program

The Micro Business Development Program (MBDP) of the Vermont Community Action Agencies provides training, counseling, and access to financing for low-to-moderate-income Vermonters who are planning to start or expand a microenterprise.

Since 1988, MBDP has helped to strengthen the economic self-sufficiency of more than 10,000 Vermonters as well as the economic vitality of our communities. We have **launched or expanded more than 2,100 Vermont businesses**, created thousands of jobs, and helped entrepreneurs leverage more than \$15 million in financing.

We are unique:

“MBDP clients have unique needs, including physical disabilities, negative credit history, criminal records, mental health needs, and extremely low income. Our MBDP coaches across the state are uniquely skilled to serve them. Our MBDP teams collectively have training in social work, trauma, and working with special needs populations. We help clients find their strengths, build their soft skills, and develop their businesses successfully, even with the heightened stressors they face. With MBDP’s help, clients who often get stuck in unemployment or entry level jobs find financial success and personal dignity in self-employment.”

Outcomes 2018 & 2019

**206 business starts
and expansions**

**159 new jobs
created**

**\$2,004,913 business
capital accessed**

How we make a difference:

Our clients count on us to provide individualized, focused support on their journey to self-sufficiency. **25% of our clients averaged over 22 hours of 1:1 business counseling.**

Our MBDP counselors are experts in business counseling and technical assistance. They also offer the financial education, credit building, and savings programs necessary for micro-business success. We partner with other organizations, such as business lenders and social services, to ensure that participants have the resources needed to realize their dreams.

“I am very grateful to have a completed business plan. I learned so much about myself, my business and my goals through this process.”

~Abby Skidmore, single mom, Owner Studio Gratitude

Outcomes of the Last 10 Years:

**8,361 LOW INCOME
VERMONTERS WERE
SERVED BY MBDP**

**1,165 BUSINESS
STARTS and
EXPANSIONS**

**872 JOBS WERE
CREATED**

**\$10,509,303
CAPITAL LEVERAGED**

**\$3,748
COST PER JOB**



“Business ownership is a proven pathway out of poverty, helping to increase income, create wealth, and move people off public assistance.”*

**Source: The Vermont Department of Children and Families - Outcomes for 2018, Agency of Human Resources - Department for Children and Families*

For more information about MBBDP:

Tyler Jokinen - BROCC in SW VT (775-0878)
Margaret Ferguson - Capstone in Central VT (477-5214)
Kathryn Baudreau- CVOEO in NW VT (860-1417)
Amy Robinson - NEKCA in NE VT (748-6048)
Denise Mason - SEVCA in SE VT (722-4575)



Micro Businesses are Everywhere in Our Communities!

Northeast Kingdom Community Action

Crooked Mile Cheese

Roberta Gillott and her family started Crooked Mile Cheese, an artisan small batch goat cheese business on their farm in 2011. They are dedicated to keeping their land open and undeveloped, as well as practice sustainable agricultural practices which enrich their fields and forests.



Roberta came to MBDP to discuss record keeping and marketing. This past year, she has grown the business substantially. They added a new tasting shop as a means to connect with tourists and offer direct sales from the farm. **Her wholesale accounts have tripled and she now has a presence in Boston, New Hampshire and throughout Vermont.**

She is an advocate for artisan cheese makers and often networks with other organizations that support policy decisions that help small farms and value-added products across the state.

BROC-Community Action in Southwestern Vermont

Sheldrick's Hardwood Flooring

Jacob Sheldrick discovered BROC's Micro Business Development Program through DCF's Work 4 Kids Program. When he first met with BROC's business counselor, he discovered the complexity involved in a business plan and developed a better understanding of financial management and the resources available to him. **"(My business counselor) Annette helped me gain perspective. She was able to provide a process that worked well for me to write my business plan. I looked forward to working with Annette. I have better control in targeting the clients I wish to serve."**

As a result of a well-developed business plan, Jacob was able to garner support dollars from Voc Rehabilitation which aided in his business suc-

cess. Sheldrick states, "I highly recommend the Micro Business Development Program. It opened my eyes to all aspects of sustaining my own business that I never would have thought about."

Champlain Valley Office of Economic Opportunity

Soul Vibration Wellness

Drea Tremols began working with Financial Futures in 2016. At the time, she was living in a HomeShare Now situation, unable to save money, or keep ahead of her bills. After working with her financial coach, she developed the skills to track her spending, budget her money, and start to save for those "unexpected" expenses. She also found her stress levels decreasing. Once she became comfortable with saving, she began working with a Micro Business Development counselor and enrolled in the Vermont Matched Savings (IDA) program to invest in a business.

She became certified in Massage Therapy and is now working as the sole proprietor for Soul Vibration Wellness. She has a personal checking and savings account, and a separate business account. Thanks to her good credit, she has a new-to-her car with a manageable monthly payment, and she is living with roommates in a market rate apartment. **"(My) Micro Business coach showed how valuable a business plan is to the way I perceive the business, which helped inspire greater forward motion."**

Southeastern Vermont Community Action

Janet's Pottery Studio

Janet C. was enrolled in SEVCA's Vermont Matched Savings Program (IDA) and had identified business for her savings plan. She attended all the required classes and saved the full amount of \$1,000 over the course of the two-year savings period. It was matched with \$2,000 to give her a total of \$3,000 for her business.

Since Janet had identified business as her goal, SEVCA's Micro Business counselor began working with her on her business plan. She want-

ed to start a pottery business in her home and had some of the necessary equipment but not all she needed. Although she has a MFA in pottery and is an intelligent woman, she was struggling with writing her plan.

She confided that she was in recovery from an alcohol addiction and was having a difficult time. After multiple meetings and a lot of encouragement, she was successful in finishing her business plan. She was able to identify what she needed for materials and had a realistic plan on what her initial production would be.

She called SEVCA recently and was so excited that she has her studio all set and is working hard. **She expressed her gratitude for all the help and encouragement that she received in both the VMS and Micro Business programs.**

Capstone Community Action

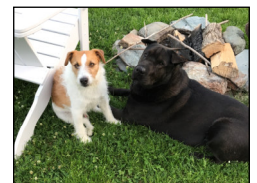
A Cut Above The Rest

Nermina Beslagic met Capstone's Financial Coach while on Reach Up in 2014. After developing a spending plan and building her credit and working with her coach over several years, she decided to use her skills as a dog groomer at a chain store to open her own business. She enrolled in the Micro-Business Development program and the Vermont Matched Savings to invest in her business.

At first saving money was a challenge. **"(But) once I reached my halfway point of \$500 it was clear to me I could save, so I planned ahead more and kept saving more. It was a learning process that has helped me where I can now save to purchase a home."**

Nermina is off Reach Up and receives a very small rental subsidy and 3Squares benefit for her and her daughter. She

makes a living as sole proprietor of A Cut Above the Rest Pet Grooming, and continues to use Capstone for classes, 1:1 financial coaching, and tax preparation.





The Vermont **Matched Savings Program** gives low-to-moderate income individuals and families an opportunity to invest in themselves & their communities & move out of poverty.

THE VERMONT MATCHED SAVINGS PROGRAM INDIVIDUAL DEVELOPMENT ACCOUNTS (IDA)



**BUY OR REPAIR A HOME * POST-SECONDARY EDUCATION *
CAPITALIZE A BUSINESS * JOB SKILLS TRAINING & CERTIFICATION *
* VEHICLE PURCHASE OR REPAIR FOR WORK PURPOSES ***

Asset Building

Cumulative Outcomes 1997-2019

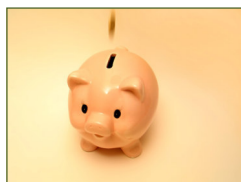
1,023 Vermonters successfully completed the IDA program, using **\$2,843,588** in savings and match funds:

583 Business—invested **\$1,616,918**
233 Education—invested **\$612,218**
207 Homeowners—invested **\$614,452**

FY 2019 Assets Attained

25 Vermonters invested **\$65,497** in savings and match:

17 Business \$42,425
4 Education \$12,072
4 Homes \$11,000



and

111 Participants deposited **\$55,990** toward their savings goal

A Brief History

Matched Savings Accounts, supported by the Vermont Legislature since 2000, are a proven strategy which combines matching savings and financial counseling to help lower income Vermonters to move up the economic ladder through the acquisition of an important asset, including homeownership, business development, and post-secondary education and job training.

Participants deposit their savings in a special joint savings account, branded as an Individual Development Account (IDA), at partner financial institutions. Once the participant has completed their savings and financial education, the State matches the participant's savings on a dollar for dollar basis to attain their chosen asset.

In 2018, the Legislature built upon this successful program to broaden the uses to include vehicle purchase or repair to access employment. Capstone Community Action oversees this program for the state.

Financial Education

Financial Education is an integral part of the IDA matched savings program providing the cornerstone for our participants' financial success. Participants gain an understanding of their money habits and beliefs, then use that knowledge to set financial goals, choose a budget system that works for them, and develop savings strategies. Additionally, they learn methods to build or repair credit, reduce debt, and plan for future financial needs.

We have seen excellent results in family and individual economic stability when participants take to heart the information, tools, and encouragement we offer in our classes and through our 1:1 coaching.

THE VERMONT MATCHED SAVINGS PROGRAM

INDIVIDUAL DEVELOPMENT ACCOUNTS (IDA)



* PARTICIPANT SUCCESS STORIES *

Northeast Kingdom Community Action (NEKCA)



Tara Lynn Scheidet of Sutton started making custom hemp clothing in 1999. Tara Lynn® was started in 2005 with a mere \$800 in cash. Tara Lynn® is an eco-couture fashion house that makes natural fiber clothing including one-of-a-kind wedding dresses, menswear, tailored suits, and wearable art jackets. The company has grown to fill \$50,000 in orders a year.

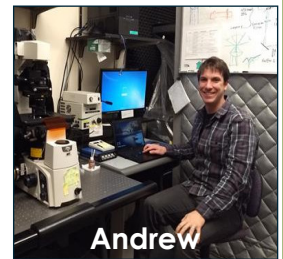
Because Tara Lynn is always thinking ahead about her business needs in order to grow, she enrolled in the IDA program. She is extremely appreciative for the opportunity to use her IDA to expand her market to attract customers all over the world!

www.taralynnbridal.com /802-467-9036

Champlain Valley Office of Economic Opportunity (CVOEO)

Andrew was in a dangerous financial situation when he graduated college. He wanted to continue his education and obtain a PhD, but found that the meager student stipend made it nearly impossible to make ends meet. He started working with a financial coach to set up an emergency fund, and then enrolled in the IDA to help bridge the cost gap of his education. After long days of physical biochemistry classes, he would head to evening financial education classes at CVOEO and found a way to save \$10 a week.

“The success of this program can be summarized in the reality that I don’t need CVOEO anymore. I won’t need state or federal help within the foreseeable future.”



BROC Community Action in Southwestern Vermont (BROC)



Jessica and Warren McIntyre of Manchester each joined the IDA Match Savings Program in March of 2017 to save for their first home. They have two teenage sons and were paying \$1200 a month for rent and wanted to find an affordable home to buy. Jessica was determined to purchase their house in one year and worked hard at saving and repairing their credit reports. They completed the IDA Financial Capability workshops, the NeighborWorks Homebuyer Seminar, and started researching homes. By Spring of 2018 they made an offer and purchased a home in East Dorset

working with USDA Rural Development.

Their new housing cost including mortgage, insurance and taxes is \$931 per month, a decrease of \$269 monthly from their previous rent payments, and they are now building equity in their own home!

Southeast Vermont Community Action (SEVCA)

Tess Lindsay was looking for ways to become more competitive in the marketplace and increase her earnings so she could make a livable wage when she enrolled in the IDA program. She had opened Wildflowers Playground, a small childcare center in Putney, in 2014. Tess wanted to become eligible for ACT 166 funding, a publicly funded pre-k option, so she could be affordable for families considering a preschool program in the area. She is now using some of her IDA to pay for the eligibility process.

“The boost I got from matched savings and SEVCA’s help with my business plan made a huge difference!”



Capstone Community Action



Caitlin Vamvas joined the IDA program to save for her business venture, Umami Spice Company. She quickly reached her savings goal and began planning how she would use her savings and match to officially launch and grow her business. Caitlin had always had an interest in and participated in farming. Over time she narrowed her focus to garlic, mushrooms and herbs. She and her partner began dehydrating their harvests and experimenting with different combinations of herbs and spices. They also looked to local, organic farmers to supplement the herbs and spices in their blends. Once they had refined their recipes, they were ready to start processing and packaging on a larger scale. Caitlin has used her funds for equipment such as a professional dehydrator, scales, and mixer as well as marketing materials.



**FINANCIAL EDUCATION
FINANCIAL COACHING
CREDIT BUILDING SERVICES**

FINANCIAL CAPABILITY PROGRAM

Annual Survey Results

Capstone's 2019 Annual Financial Capability survey, sent to individuals who had received counseling or attended financial education classes, shows:

- 54%** of respondents have set aside money for savings
- 71%** of those respondents have started saving regularly
- 62%** of respondents have taken steps to improve their credit score
- 64%** of those have increased their score
- 70%** reported that working with a financial coach or attending a class was helpful in reducing their debt

Testimonials:



"Fabulous Resource—both classes and coaching. The staff have always answered all of our questions thoroughly!"

"I have found the classes to be really helpful in understanding how to approach improving credit and managing resources—which as a downstream positive effect on my mental health!"

CVOEO's 2019 Annual Financial Futures Program survey reports:

- 80%** of respondents created financial goals and 95% have taken steps to achieve these goals
- 52%** of respondents started saving money after working with the Financial Futures program
- 41%** of respondents reduced debt after working with Financial Futures Program

Testimonials:

"Before my involvement with Financial Futures, I didn't know about all the different steps I actually could take to improve my situation—but your coaches and advisers have helped so much."

*"You are all indispensable to the community—
Friendly, Smart, Helpful!"*

An Overview

Most Vermonters can agree that between paying for housing, childcare, transportation, food, loan obligations and utilities, there's often not a lot of income left over for saving.

That's where Vermont's Community Action Network can help. With our comprehensive financial education and financial coaching services, which vary by agency, our staff work directly with low and moderate income Vermonters to help them assess their financial situations, determine their options, and create financial goals.

Our statewide staff, which consists of program coordinators, financial coaches, and accredited financial counselors, are trained to provide appropriate and meaningful personal finance guidance to Vermonters who are having difficulties paying down debt, saving money, or managing their transportation or housing costs.

By assessing the situation and meeting the client where they are financially, our staff work with individuals and families to help them build economic opportunity and a better financial future.

Programs and Services

Programs and services vary by Community Action Agency (CAA) based on current funding and include:

- Budgeting support
- Debt reduction planning
- Savings strategies
- Credit Building services
- Financial education classes
- Student Loan repayment counseling

Two of the five CAAs offer dedicated financial coaching and counseling services. Capstone Community Action and CVOEO have a combined two full time AFCPE® Accredited Financial Counselors, 1 full time financial coach and two part time financial coaches.

The Vermont CAA Network is requesting support to continue services at Capstone and CVOEO and to expand services to SEVCA, NEKCA, and BROC.

FINANCIAL CAPABILITY PROGRAM

* A SAMPLING OF THE WORK WE ARE DOING *

BROC Community Action in Southwestern Vermont (BROC)—Homeless Prevention

BROC Community Action and the Homeless Prevention Center in Rutland have been working together with clients to prevent homelessness. The Homeless Prevention Center (HPC) has their clients work with the Economic & Workforce Development Program at BROC Community Action on budgeting and credit reports as a requirement for their clients in the “Renters 101” curriculum. In the past two years 80 clients have called and set up an appointment to meet with Shelley Faris one-to-one to create a monthly household budget and review their credit report. At this meeting the client is engaged in making decisions on priority spending of their income based on their basic needs and goals. The credit report is pulled to first determine that it is correct information and to dispute any errors and to make sure there is no identity theft. A plan is developed to address any negative information such as collection accounts and high debt to work towards an improved credit report and credit score. This is essential for people looking to rent housing and secure a fuel dealer. The monthly budgeting ensures a stable financial plan to retain the housing long term. The value of financial capability education is crucial to help people set a new course of stability in their lives and find a path out of poverty.

Capstone Community Action—Partnering with Reach Up

Financial Coach, Mary Johnson, has been partnering with People’s United Bank in Morrisville to provide “lunch and Learn” financial fitness classes to parents on Reach Up. Topics include budgeting, credit building, debt reduction, and how to buy a vehicle. Participants earn incentive money to attend classes and work on their personal finance. One client, a single mom who lives in United Way of Lamoille County’s New Foundations housing program, has been working with Mary to achieve her requisite savings goals in order to stay and then graduate from the program. Despite struggles with her transportation which cause her to get behind on her savings, she continues to meet with Mary and earn incentives from Reach Up that enable her to save enough money so that she can eventually move out on her own.

Champlain Valley Office of Economic Opportunity (CVOEO)—Debt Management Support

NG, a single mother on Reach Up, worked with Financial Futures to meet several goals related to savings, debt, and credit. CVOEO’s Financial Coach found two mistakes on her credit report that she successfully disputed. When she received her 2017 tax refund, she worked with her coach to make a plan to use some to settle high priority debts and put some money in savings. She paid off a \$2,000 debt to CCV, allowing her to access her transcript and continue school and paid down the remaining \$2,400 of her car loan. In addition, she saved \$500, of which \$250 was matched dollar for dollar through the Reach Up Financial Incentive Program.

Northeast Kingdom Community Action (NEKCA)—Budgeting Assistance for Seniors

Seniors in the Northeast Kingdom often live on a limited income and depend on the resources of their local Community Action Agencies. Mary, age 60, had spent her entire career as a nurse and caretaker, and was now unable to work due to back pain. She had already created a network of support for subsidized housing, SNAP benefits, SSDI and medical care. She came to NEKCA for budgeting assistance. She was frustrated as she felt she was doing all she could and still couldn’t make ends meet. She had to use her credit card to pay for medication, and as a diabetic she felt limited using the food shelf. Mary benefited greatly from one-to-one financial coaching: she wanted to maximize her income and ease her cash flow. She had to make some tough choices and compromise on things that most people take for granted. For example, going to the library to borrow a free movie instead of having cable might not seem significant, but it is to someone who has spent their entire life working.

Southeast Vermont Community Action (SEVCA)—Financial Coaching in Recovery

SEVCA’s part-time matched savings program coordinator offers financial fitness classes and workshops to local non-profit programs serving vulnerable populations. SEVCA is currently working with the executive director of Turning Point of Windham county to arrange financial fitness workshops. Turning Point provides services, free of charge, that help improve the health and welfare of people whose lives have been affected by addictions and who are pursuing recovery. Most guests are low to moderate income and not only recovering from addiction, but also may be navigating other life transitions and dealing with the aftermath of their addictions. Financial coaching and workshops are services that can support people who are returning to the community after incarceration, seeking shelter or employment, or reuniting with their families.

MICROBUSINESS DEVELOPMENT PROGRAM

	2010	2011	2012	2013	2014	2015	2016	2017*	2018	2019	TOTAL
General Fund	\$ 314,600	\$ 398,870	\$ 298,870	\$ 298,870	\$ 298,870	\$ 298,870	\$ 298,870	\$ 373,590	\$ 398,870	\$ 398,870	
SNAP Employment & Training	\$ 68,100	\$ 68,100	\$ 68,100	\$ 68,100	\$ 68,100	\$ 68,100	\$ 68,100	\$ 85,125	\$ 68,100	\$ -	
Total Funding Appropriation from Legislature	\$ 382,700	\$ 466,970	\$ 366,970	\$ 366,970	\$ 366,970	\$ 366,970	\$ 366,970	\$ 458,715	\$ 466,970	\$ 398,870	
Total # of Participants Served	1145	1171	864	735	780	771	727	854	668	646	
New Participants	602	509	448	419	489	379	311	349	321	356	4,183
# Unemployed and obtained a job	68	58	56	41	61	48	29	34	29	26	450
# of new business Start-ups	81	90	75	56	57	68	69	61	66	59	682
# of new business Expansions	12	16	24	34	103	79	60	74	45	36	483
# of Jobs Created (FTE)	105.5	102	87.5	67.5	80.7	80.5	90	99.5	82	77	872.2
% of participants who started or expanded a business	8%	9%	11%	12%	21%	19%	18%	16%	17%	15%	13%
\$ of Capital Leveraged	\$ 1,046,181	\$ 855,135	\$ 873,353	\$ 745,938	\$ 1,420,594	\$ 680,641	\$ 1,272,007	\$ 1,610,541	\$ 1,439,256	\$ 565,657	\$ 10,509,303
3 Squares VT participants	n/a	n/a	n/a	418	359	232	294	264			
Average MBDP GF Investment Per Job Created	\$ 2,982	\$ 3,910	\$ 3,416	\$ 4,428	\$ 3,703	\$ 3,713	\$ 3,321	\$ 3,755	\$ 4,864	\$ 5,180	\$ 3,747.84

*2017 Program Year was 5 quarters (July 1 - September 30)

VERMONT MATCHED SAVINGS PROGRAM

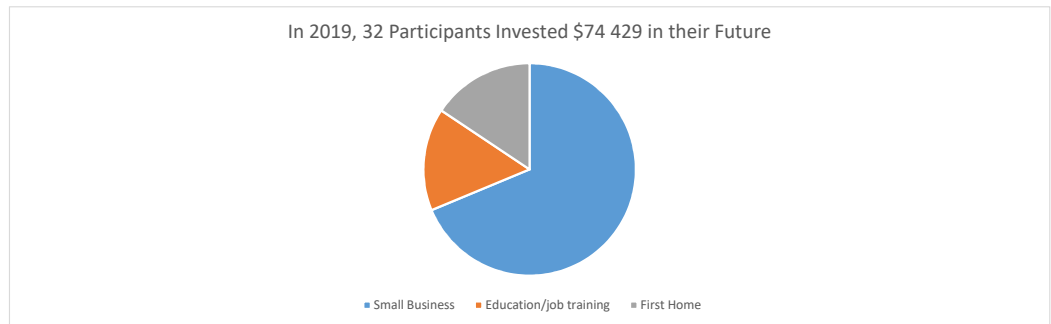
State Fiscal Year 2019 (July 1 - June 30)

# of participants with open accounts during the year	\$170,300
Total \$ amount of savings	143
# of new accounts opened	\$45,679
# of participants who increased their savings	75
% of participants who increased their savings	110
# of participants who invested funds:	77%
Small Business	22
\$ (savings & match)	\$49,009
Education/job training	5
\$ (savings & match)	\$13,070
First Home	5
\$ (savings & match)	\$12,350
Total #	32
Total % of participants investing funds	22%
Total \$ (savings & match)	\$74,429

Since 2001

low income Vermonters	1071
Saved an average of	\$858
Savings were matched 2:1 to help them INVEST	\$2,819,526
First Homes	224
Businesses	605
College	257

*Note: The Vermont Matched Savings Program is a multi-year program. SFY 2019 funding supported up to 70 new accounts and the ongoing administration of all accounts.



State of Vermont
 Department for Children and Families
 Office of Economic Opportunity
 [phone] 802-241-0935
<http://dcf.vermont.gov/oeo>