



Public Testimony of
Sue Minter
Executive Director, Capstone Community Action
for Community Action Funding:
Economic Support, Stimulus and Anti-Poverty Programming
August 27, 2020

For the record I'm Sue Minter, ED of Capstone Community Action serving the communities Washington, Lamoille & Orange Counties. I am speaking on behalf of the 16,000 participants in our anti-poverty programs, and as a member of the VT Community Action Partnership (VCAP) representing all 5 of Vermont's Community Action Agencies.

- **We are united in our request that the Legislature restore the cuts proposed by the Governor that would eliminate Vermont's Micro Business Development Program (MBDP) and the Individual Development Accounts (IDAs) These cuts would abolish two critical and proven economic stimulus and anti-poverty programs operating throughout our state.**
- **The full year base budget for MBDP is \$293,339 and the full year base budget for Individual Development Accounts (Vermont Matched Savings accounts) is \$170,301. It is our understanding that 25% of these budgets were funded in the Q-1 budget.**

We are extremely grateful for the Legislature's previous support for these critical and proven anti-poverty programs. At the beginning of this Legislative session (before COVID struck our state) both the House Human Services Committee and the House Commerce Committee recommended that these programs be maintained, and your House Appropriation committee supported those recommendations. In addition, you demonstrated the value of this program by directing CFR Funds for our proposed EMBRACE proposal to assist disadvantaged Micro Businesses affected by COVID with grants and technical assistance. This group of business owners were not eligible for other CARES Act funding for economic assistance.

We are pleased to report that this program, Project EMBRACE, is up and running in record time. We received our grant agreement from OEO on August 18th, and within nine days have: hired 5 new business counselors, developed a program which went "live" on August 20th and have already received 100 application. We anticipate all these funds being spent by the end of October. And yes, we are also concerned the demand will outstrip supply for his important program.

As you know Vermont's Community Action Agencies (CAAs) have worked for over 50 years to help lift Vermonters out of poverty. Since 1988 we have managed the state Micro Business Development Program (MBDP) which specifically targets our lowest income micro businesses-- those with incomes of 80% state Median Income (or lower). Through intensive training, business planning and support, financial counseling and asset-building, our micro business counselors have helped launch or expand more than 2,100 Vermont businesses, created thousands of jobs and helped micro-entrepreneurs leverage more than \$15 million in financing. As the pandemic upends our economy, these businesses

20 Gable Place, Barre, VT 05641-4138
(802) 479-1053 | (800) 639-1053 | (802) 479-5353 Fax | www.capstonevt.org

are at extreme risk and these entrepreneurs are also the most at risk of falling into poverty with the ensuing need for public support.

In the last 5 years across Vermont the combined program results included:

- 3,666 low income Vermonters were served
- 682 Business starts and expansions
- 429 Jobs created
- \$5,568,102 capital leveraged

We are facing unprecedented and extraordinary times. What a year ago was an economy coming out of the great recession has in a matter of months become an unparalleled economic crisis. You have weathered great storms in our past, and I trust, will do so again. Of all times, this is NOT the time to eliminate a successful anti-poverty program. And it is NOT a time to undermine your Community Action Agencies, who have been the “First Responders” to this crisis.

As you will see in the attached summary report, when COVID hit, your Community Action Agencies were able to re-purpose their resources, immediately and effectively, to have a maximum impact on supporting the most at-risk Vermonters. Your CAPs have provided immediate assistance to homeless and housing insecure families, providing food, shelter and crisis services. This is what Community Action stands for and what we do to support our at-risk families in the midst of crisis.

At Capstone Community Action, I am incredibly proud of the extraordinary work and accomplishments team that mobilized swiftly and creatively to continue to provide and expand our services in response to COVID- 19. We collaborated with service providers to quickly rehouse, feed and provide wrap around services to at risk Vermonters and families. Our results speak volumes to the need for and effectiveness of our work:

FOOD SECURITY

- Over 14 weeks Capstone coordinated the preparation and distribution of **51,390 meals for homeless** people in area hotels. 19,442 of these meals were prepared by our Community Kitchen Academy chef, students and volunteers. All meals were distributed by area volunteers to the hotels.
- Our Barre City Food Shelf continues to provide fresh food for families, serving 2,406 family members since October.

CHILD CARE/ EARLY EDUCATION

- Our Head Start team provided a record **12,946 hand-delivered activity packs and 39,500 meals** to support at-risk families with the continued education and development and nutrition for their children during the Stay-At-Home orders]

HOUSING STABILIZATION

- Our Housing staff in Washington, Lamoille and Orange Counties provided **support to 371 Vermonters** who were either homeless or facing homelessness, including 123 children.

CRISIS SERVICES

- Our crisis services team provided crisis fuel support **for 668 Vermonters**, including 165 children and are currently mobilizing to assist them with Utility Arrearages
- Our Crisis Outreach Team supported unique needs of **435 Vermonters**

It is critical that our economic opportunity and stimulus programs remain a high priority – *especially at this time of economic dislocation*. The current unprecedented growth in unemployment must be countered with investment in micro-business counselling and training in order to enhance the state’s economic stimulus, and to reduce reliance on public crisis supports. Throughout US history, periods of economic recession and even depression have been followed by historic increases in business development. This is entrepreneurial spirit is a foundation for economic recovery. Our MBDP program is a win-win both an anti-poverty program and an economic stimulus program. It creates both jobs and economic opportunity to those most impacted by the current economic downturn and provides equity to our economic development platform as a state.

We humbly request the full restoration of our critical economic stimulus programs, MBDP & IDA.

Thank you for your time, your service, your previous support for our important work.



“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)

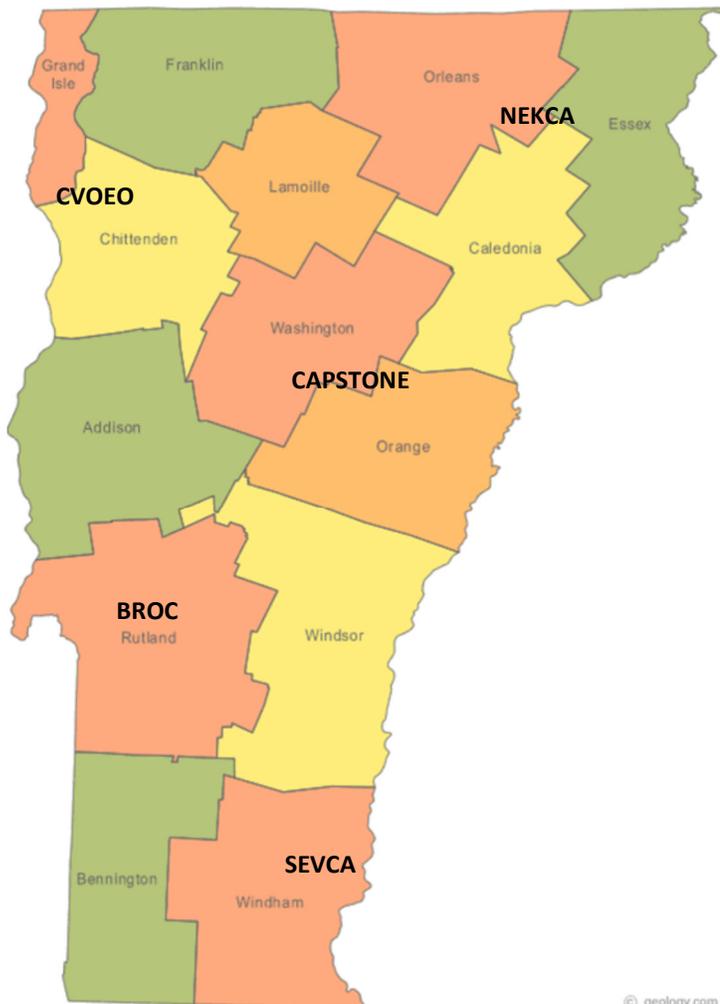
The Volunteer Income Tax Assistance (VITA) offers free tax preparation for anyone with annual income of less than \$55,000. In FY2019, the VT CAAs completed 3,986 Federal returns and 4,538 State returns. The total refunds and tax credits brought \$5,365,971 back into the state economy and helped stabilize 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 Bridal

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.”



Andrew

BROC Community Action in Southwestern Vermont (BROC)



The McIntyre's New Home

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!”



Wildflowers Playschool

Capstone Community Action



Umami Spice Company

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 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.

Vermont Community Action Partners' Response to COVID-19

July 2020

Across our State, Vermont's Community Action Agencies (CAAs) mission of lifting people out of poverty has been at the forefront of the community response to COVID-19. Our CAAs offered the swift action, leadership, flexibility, and community network required to appropriately respond to an emergency. CAA's work with vulnerable communities and individuals every day and knew they could not close their doors to those with acute needs. Instead, each Agency pivoted to continue providing critical services. Staff worked from home, balancing increasing needs at work with the impacts of COVID-19 on their own lives. Programs moved to new platforms and continued to reach Vermonters. CAAs led new and existing networks of community partners to amplify local efforts and reach Vermonters who had never needed their services. What began as a health crisis is evolving into an ongoing and growing economic crisis, and our Community Action Partnership's innovation, dedication and leadership will continue to address economic needs swelling across our state and nation.

Housing: from shelters to hotels with dignity

As the Governor's orders took hold, staff working with affiliated warming and homeless shelters realized the gravity of the situation - residents would be at an increased risk of infection with COVID-19 if they remained in the shelters. Shelters needed to de-densify, meaning new housing options were needed. The state acted quickly, supplying new housing opportunities through area hotels. BROC, Capstone, CVOEO and NEKCA all activated critical support systems to help hotel guests. As community leaders, CAA partners had the community network, breadth of services and in-house expertise to ensure critical services were - and continue to be - provided to our state's homeless population, from physical and mental health care to food security.

"You can't stay home and stay safe if you don't have a home". – Sue Minter (Capstone)

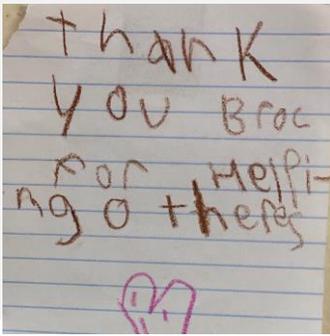
Broadband access: "stay home, stay safe"

Prior to COVID-19, NEKCA thought discussions around access to broadband were outside of their mission. Yet, as soon as the Governor put the "stay home, stay safe" order in place, access to internet became critical for everyone. Schools taught through virtual classrooms, many social service organizations moved all possible services "on-line", medical appointment that could be done via telehealth did so. NEKCA and Capstone quickly coordinated with local school districts to understand how many families didn't have access to internet. BROC and CVOEO linked their participants to the VT DPS lists of public WiFi hotspots in Vermont. Broadband access has moved from a faraway need to a critical service for all Community Action participants.

Feeding shelter residents three meals a day

CVOEO and Capstone both stood up emergency meal delivery programs within 48 hours of shelter guests being moved to hotels, leveraging their Community Kitchen Academy operations. Weatherization staff joined a host of volunteers creating meal delivery teams to keep up with the accelerating number of hotel guests. At the height of delivery, 14 hotel sites were receiving upwards of 1,400 meals through CVOEO delivery teams. Capstone led delivery of 795 meals a day at 7 hotel sites. Private partners, including City Market, Skinny Pancake, New Moon Café, Morse Block Deli, Enough Ministries and Salvation Army joined the team as food providers to quickly fill gaps.





Throughout their large service territory in the Northeast Kingdom, NEKCA used its network of community partners, dedicated staff, and businesses/restaurants to ramp up feeding families moved from shelters to hotels. NEKCA's team ramped up quickly - initially feeding and sheltering 10 guests to feeding over 140 families in 5 locations spread throughout the Kingdom at the height of the crisis.

Prior to COVID-19, BROC relied on dedicated volunteers to meet food shelf visitors, many of whom are older and more at risk of serious infection. So, when COVID-19 hit, many of their volunteers stayed home. BROC staff from across all teams quickly stepped up, moving produce pick-up to an outdoor shed to make pick up safer, and began distributing senior boxes for people who couldn't leave their houses. Even with decreases in food supplies from traditional suppliers, BROC met the needs of a 50% increase in demand and continue to do so as the economic realities continue to impact Vermonters.

"We all worked together, not duplicative but intentional" – Jenna O'Farrell (NEKCA)

Community leaders: amplifying local efforts

Vermonters' needs changed as the health and economic impacts of COVID-19 hit families. Decades of experience in their communities have ensured name recognition and trust, from town centers to rural farms. Capstone, CVOEO, and NEKCA led response teams of community partners to avoid duplication of efforts and fill emerging gaps. BROC used communication partners, like local radio stations, to get critical health and service messaging to people's homes. SEVCA continued their role as community interlocutor and umbrella fiscal agent to help smaller nonprofits receive much needed funds. The flexibility of each Community Action Agency to amplify local efforts as a community leader was critical for each regional response and recovery.

"With MBDP's help, clients who often get stuck in unemployment or entry level jobs find financial success and personal dignity in self-employment."

An 'opportunity' economy for all Vermonters

COVID-19 revealed the reality of the more than 25% of Vermont households that are only one paycheck away from falling below the poverty line. As the economic impacts took hold, and unemployment rose, CAAs continued providing support.

The Micro-Business Development Program (MBDP) provides training, counseling and access to financing to Vermonters planning to start or expand a microbusiness. CAAs are shifting these services to virtual platforms, from YouTube video trainings to Zoom live trainings, as they are key to economic recovery. Small business newsletters and podcasts continued on "microbusiness realities today", expanding topics to include reopening considerations, and brainstorming ways for businesses to pivot their goods and services sales. Additionally, CAAs statewide network have put forth the Economic Micro-Business Recovery Assistance for the COVID-19 Epidemic (EMBRACE) to assist disadvantaged micro-businesses impacted by COVID-19 with grants and technical assistance. This assistance is expected to be available at the beginning of August.

Matched Savings Program: This long proven approach combines matched savings with financial counseling to lower income Vermonters to help them move up the economic ladder. Existing participants in the program have been able to move forward with their savings plans. Yet, SEVCA and BROC noted challenges attracting new participants, as people are worried about their short-term economic needs. CAAs are re-evaluating their messaging, as the program offers medium to long term resiliency for participants – something critical when facing economic uncertainty resulting from COVID-19 or other emergencies.

Vermont Income Tax Assistance (VITA) Program: The “stay home, stay safe” encompassed tax season, which for many results in tax returns that are helpful as incomes decreased. SEVCA creatively found ways to keep this critical program moving forward, while other CAAs directed participants to other agencies. SEVCA’s relationship with their IRS counterpart proved critical in ensuring solutions to barriers still reached IRS requirements. SEVCA continues to provide support through the July 15th tax season extension.

Everyone Eats Project: SEVCA is leading the statewide project bringing together restaurants, farmers and other VT food producers to prepare and distribute meals using as much locally grown and produced food as possible. Meals, prepared by local Vermont restaurants and food producers supported by local farmers, will be distributed through regional hubs to Vermonters who are food insecure due to COVID-19. This “win-win-win” model increases incomes and food access for all actors in local economies, while making sure Vermonters have access to healthy food.

“We offer the same services with a different look.” – Vicki Loomis (BROC)

Doors may be closed, but services continue

Head Start: National Head Start sent their affiliates guidance on best practices use of virtual tools to continue interactions with students and families – which Head Start programs at NEKCA, SEVCA, Capstone, CVOEO and BROC used. All community action groups went above and beyond just virtual instruction and discussions. Staff delivered food, diapers, protective equipment and cleaning supplies and educational packets to families. As the uncertainty of COVID-19 impacted families, CAAs were there with compassion to provide students and families with tools to promote physical and mental health and socio-emotional well-being.

Weatherization: In Vermont, making sure families have warm homes is critical, and CAA Weatherization teams do just that – except during COVID-19. SEVCA and CVOEO weatherization teams took advantage of not being able to enter Vermonters’ homes doing countless hours of learning new techniques, improving customer services, updating certifications, and learning more on creating healthy homes. Other CAA Weatherization teams supported food distribution, as volunteers who normally provide this service were unable to do so with COVID-19 precautions.

Financial Futures Program: CVOEO’s New American’s Project Manager led the creation of audio files on unemployment support, stimulus check, and small business EIDL/ PPP loans in 7 languages (Arabic, Somali, MaayMaay, Swahili, French, Keran and Nepali). Recordings referenced the VT Department of Labor unemployment applications and SBA grant programs, as well as information on how to contact Community Ambassadors to get further support. In a time of economic uncertainty, accessing critical information can mean the difference between receiving support or not.



E.M.B.R.A.C.E. Applicant Statistics as of 08/27/2020

- 100 Eligible Applications received between 08/20/2020-08/27/2020
- \$400,000 in grant requests in one week.
- 78% of all applicants rely on self-employment for income.
- 50% of all applicants have 1 or more employee.
- 91% of all applicants have not received any financial relief before E.M.B.R.A.C.E.
- 74% of applicants stated that the EMBRACE grant will prevent them from going out of business.

Quotes from Applicants

How will this grant support your business?

I have lost a significant portion of my annual income due to the Covid-19 pandemic. I have not been eligible for many other grant opportunities due to my business structure. This grant will provide necessary funds to keep me in business. (EMBRACE Applicant)

My business income has been at zero since April. The grant will help me with basic operating expenses. I want to stay open!
(Embrace Applicant)

It will help to cover expenses I had intended to spend in the spring, so I can work in my shop with heat so my paint doesn't freeze, I'll have hot water to wash things properly, help to keep my clients safer with the covid-19 and start teaching again. I'm praying to offer safer solutions to my clients so I may work in their homes again.
(EMBRACE Applicant)

This grant will allow me to shift my business plan to a product centered plan instead of a service centered plan. Funds will be used for studio rent, framing art pieces, and printing art. This allows my business a way to continue until I am able to resume in-person workshops and community-based projects. (EMBRACE Applicant)

It will enable me to re-open a small practice in my home, by retrofitting a space that can be used for a practice, with its own bathroom, and partitions to ensure safe social distancing. (EMBRACE Applicant)

"It will help me get back on my feet and with supplies, equipment and advertising. I need my business to thrive for my family because I am the only one who provides for them"
(EMBRACE Applicant)

This grant will give my business a fighting chance to stay alive. I'm not just fighting to stay open, but to continue establishing the gallery as a public cultural resource where all members of this community can engage with art and artists. (EMBRACE Applicant)

The grant will supply my home daycare with proper cleaning supplies, more mask for daily use. I will be able to make more space to help social distance and allow children's to have their own play space. (EMBRACE Applicant)

This grant will allow us to pay for our time to provide the free BIPOC CSA program which supports people of color in our community have access to life giving food!
(EMBRACE Applicant)