

Stephen Geller



VT Community Action Agencies' (CAAs) Agenda for the 2019 Legislature Creating a Vibrant Opportunity Economy for All Vermonters

"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~

More than 25% of Vermont households are one layoff or serious medical incident away from falling below the poverty line.¹ 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.

Increase Funding for 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 average cost per job is less than \$3,800. Current base funding is \$300,000; we request a \$200,000 increase funding to \$500,000.**



Fully fund the Individual Development Account (Vermont

Matched Savings) Program In 2018 the Legislature reinvested 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. Matched by state funds, participants save—and have their savings matched—to purchase or repair a home, invest in training or post-secondary education, grow a business, or purchase or repair a vehicle. Since its start in 1997, 998 Vermonters have completed their savings period and invested \$2.8 million in their future, much of which has helped support their local economy. 566 have invested in businesses, 229 in education, and 203 in first-time homeownership. **Current base funding is \$135,300; we request an increase to the original appropriation of \$250,000.**



¹ 2016 Assets & Opportunities Scorecard, Census Bureau, Survey of Income and Program Participation. 1/30/19

Support Workforce Development/Training Initiatives

Support Workforce Development/Training Initiatives The VT CAAs offer a number of workforce initiatives that address persistent barriers to employment faced by disadvantaged workers with no, little, or unsuccessful work experiences, and who need customized and comprehensive training and services to overcome those obstacles, such as job readiness programs that help a wide range of groups, including at-risk youth to obtain their first jobs, and incarcerated individuals to gain core life & workplace skills to enter the workforce when they're released. **We request \$250,000 to support efforts to increase access to the workforce and ensure a supply of job-ready, dependable workers to enable employers to maintain and expand their businesses.**



Fund 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. Vermont Community Action agencies report that some families participating in financial education programs have yielded a savings of more than \$2,514 since participating—a substantial sum for families living in poverty. Additionally, a national study found that 58% of low-to-moderate-income individuals receiving financial coaching and credit building services had their credit score increase as a result.² These services can and have been customized to meet the particular needs of Reach Up families. **We request \$500,000 to cover the cost of existing services and expand availability.**

Financial Education Participants



Average savings of \$2,514 since participating

Fund 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 FY2018, the VT CAAs completed 3,309 Federal returns and 3,844 State returns. The total refunds and tax credits brought \$6.8 million 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. **The cost of the program statewide is \$189,000. We are requesting \$100,000 to leverage \$49,000 in IRS funding to sustain and expand access.**

Back Into VT Economy

\$6.8 Million!



In combination, these CAA Economic and Workforce 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 ~

² Credit Builders Alliance, Analysis of CBA Members: Confirms Value of Credit Building, August 2014. 1/30/19

Southeastern Vermont Community Action (SEVCA) Workforce Development Participant Stories – 2018

Ready for Work Program – Tapestry (a program of Phoenix House)

One of our Ready for Work participants had a heroin and alcohol addiction and was present when her boyfriend overdosed and died. She was in and out of jail multiple times after relapsing and was sent to Tapestry. While in Tapestry, she participated in 7 weeks of Ready for Work classes. After a few setbacks she was finally released, has been clean for 6 months, and is now employed and attending Community College of Vermont.

Financial Fitness and SaVermont (SaVe) – Matched Savings Program

After participating in 7 weeks of financial fitness classes and saving for 2 years, Tess Lindsay is using her matched savings for education so she can become a pre-qualified preschool program and be eligible for ACT 166 funding. Her goal is to be affordable for families considering a preschool program in the area.

Micro Business Development Program

With the help of Micro Business as well as Financial Fitness counselors, Elizabeth Johnson used her matched savings from SaVermont, wrote a business plan, and opened her design and organizational systems consulting business. She said she is on the verge of getting out of poverty for the first time in 12 years.



Vermont Community Action Agencies Programs and Services January 2019

General Overview

Since their inception as a part of the national War on Poverty in 1965, the five Vermont Community Action Agencies (CAAs) have collectively covered the entire state with their broad array of programs and services designed to help Vermonters with low income cope with the hardships of poverty, stabilize their financial condition, and move in the direction of becoming increasingly self-sufficient. Every year, these programs have a significant and positive impact on the lives of tens of thousands of low-income individuals (as many as **64,500**), who achieved as many as **120,600** distinct outcomes addressing the causes and conditions of poverty as a result of the services they received. Every dollar the VT CAAs receive from the state leverages as much as **\$2.35** from federal, local, private, and in-kind resources. These programs address a full spectrum of needs and can generally be organized into 4 major service categories: Crisis Intervention, Stabilization, Education / Training / Transition / Self Sufficiency, and Health & Nutrition.

Crisis Intervention Services

Housing Assistance – Housing counselors and case managers work with at-risk households to stabilize their housing, prevent homelessness, obtain housing if already homeless, and by whatever means necessary help them secure safe, decent, affordable and sustainable housing. That may include financial assistance to help with rental or mortgage arrears or security deposits and referrals to, and coordination with other resources and services to help households avoid falling behind in the future.

Housing Opportunity Program (HOP) – HOP's primary objectives are:

- **Homelessness Prevention** – To prevent individuals and families from becoming homeless and help them regain stability in their current housing or other permanent housing. Services include housing relocation and stabilizations services including short-term financial assistance and/or rental assistance for up to 12 months, including back rent.
- **Rapid Re-housing** – To help individuals and families living in shelters, publicly-funded motels, or places not meant for human habitation to move as quickly as possible into permanent housing and achieve stability in that housing, providing services similar to those used for homelessness prevention.
- **Housing Case Management** – To provide intensive & comprehensive support and intervention, and service coordination for homeless individuals and families who may be unlikely to resolve their housing crisis with short-term financial assistance alone.

Emergency Shelters – The VT CAAs employ a variety of strategies, customized to local circumstances, to enable the provision of emergency shelter for homeless individuals & families and those experiencing no-heat situations:

- **Jen's Motel** – Provides several thousand bed nights per year for a diverse group of individuals, including children, veterans, seniors, the chronically homeless, domestic violence survivors and people with disabilities
- **Extreme Cold Weather Emergency Shelters**
- **Operation, Fiscal Sponsorship and/or Grant Management of local Warming Shelters**

Voices Against Violence / Laurie's House –Crisis intervention, support and advocacy services to victims / survivors of domestic and sexual violence, including shelter, transitional housing, legal assistance, education, and supervised visitation, all at no cost and completely confidential.

Emergency Fuel & Utility Assistance (Crisis Fuel Assistance) –Crisis assistance to households with low income who are out of fuel or in danger of running out of fuel to heat their homes, or have received a disconnect notice from the utility company. This program helps homeowners, or renters who pay for heat or who have heat included in their rent, with:

- Purchasing their primary source of heat (oil, natural or propane gas, wood, electric)
- Avoiding disconnect of electric service
- Referrals to and assistance with expedited applications for the Vermont Seasonal Fuel Assistance Program

WARMTH –Assistance to pay fuel and utility bills and support services to households facing a home heating crisis, in partnership with Green Mountain Power and other participating fuel suppliers, utilities and private donations. The program is intended to supplement and extend available resources by assisting households who are ineligible for federal / state-funded Crisis Fuel Assistance and for eligible households before and after the Crisis Fuel program season and when they run out of their Crisis Fuel allocation.

Heating System Repair & Replacement – For homeowners, repairs or replaces heating systems that are inoperable or unsafe to operate, to enable Vermonters to heat their homes safely and ensure a healthy home environment.

Food Shelves – While there are differences from agency to agency based on local needs and circumstances, groceries, hot meals, home delivery, education and/or nutritional services are often provided to help address food insecurity and hunger that face Vermonters with low income.

Stabilization Services

Weatherization Assistance Program – Provides home energy audits and a full spectrum of energy conservation and health & safety improvements at no cost to low-income households, including;

- An energy audit to identify potential improvements in energy efficiency, comfort, and ways to save money on fuel bills
- A check-up on heating systems to ensure they're operating in a safe, healthy, and efficient manner, and repair or replacement of systems that are unsafe, , unhealthy, malfunctioning or grossly inefficient.
- Where applicable, free lighting & appliance upgrades through a partnership with Efficiency Vermont.
- Minor home repairs, and in some cases where applicable, remediation of harmful substances (e.g., asbestos-laded Vermiculite) to enable Weatherization services to be provided

3E Thermal – Works statewide with all the VT CAAs and Weatherization Assistance Programs to provide technical support and cash incentives to help building owners make comprehensive energy efficiency improvements in affordable multifamily housing, thus enabling them to remain affordable.

Home Repair Program – Home repairs to ensure safe, healthy, comfortable, affordable, accessible, and energy-efficient homes for Vermonters with low income.

Vermont Tenants – Information and referral services directly to tenants via phone and face-to-face tenant counseling, and custom designs and conducts workshops on residential rental housing laws, codes and code enforcement to meet the particular needs of participating groups.

Fair Housing Project (FHP) – Training, education, and information & referral services on fair housing rights & responsibilities. In collaboration with organizations such as the Vermont Human Rights Commission, Regional Planning Commissions and Vermont Legal Aid, FHP works to eradicate illegal housing discrimination in Vermont, through a wide range of services ranging from individual assistance with fair housing issues to workshops for municipal planners and zoning administrators.

Mobile Home Program (MHP) – Assists individual Vermont mobile home park residents and their associations & cooperatives to have greater control over their housing, defend their interests, protect their housing rights, improve their living conditions, and ensure that they are able to keep their mobile homes safe and affordable. MHP achieves those goals through housing counseling, referral services, advocacy, education and resident organizing.

Thrift Stores – Low- or (for those in crisis) no-cost clothing, furniture, and household goods to meet basic needs for low and moderate income households, and job training and work experience opportunities for individuals with disabilities and other significant and persistent barriers to employment.

Transportation Project – Through workshops held around the state, helps Reach Up and VocRehab participants deal with major car repairs, budget and save for vehicle ownership, resolve credit issues, assess a car's value, find and purchase a good quality car, and/or estimate annual vehicle operating costs.

Community Justice Programs – A wide range of services provided by multiple VT CAAs, in partnership with the Dept. of Corrections, to assist offenders and ex-offenders to avoid imprisonment, achieve rehabilitation, and/or enable a successful re-entry into the community. These include: Court Diversion, Prevention through Intervention, Restorative Justice, and Transitional Housing.

Education / Training / Transition / Self Sufficiency Programs

Head Start – Head Start (for preschoolers) and Early Head Start (for children up to age 3), a federally-funded child and family development program, provides comprehensive education and developmental services for pregnant women, children from birth to five, and their families. Services for children enable healthy development and school readiness, and include early education, physical & mental health, nutrition, and services for children with special needs. Services for parents promote family engagement, and include parenting education, leadership, social services and family supports.

Parent Child Centers – Help families make sure children get off to a healthy start. Services include almost anything that families need: Early childhood services, home visits for families with young children, playgroups, parent education & support, and information & referral.

Youth Services – A wide range of services to assist at-risk youth and youth in transition to enhance their skills, resolve barriers, and provide opportunities to enable them to achieve their goals.

- **Community Action Youth Services (CAYS)** – Wraparound services to help youth achieve a successful and fulfilling adulthood, including crisis intervention, basic needs (housing, food), education (tutoring, GED programs), employment, and mentoring.
- **Crisis Youth Services / Runaway Program** – Intervention for 12-18-year-olds in crisis and their families, which may include short-term alternative living arrangements and individual and family counseling.
- **Teen Center** – A safe destination for youth to get help in their daily lives, a hot meal, and a supportive environment where they can find people who will listen.
- **Transition Services** – Life skills instruction, individually and in group settings, support services, and safe housing placements for youth who are transitioning from foster care, homeless, or without the support of their legal guardian.
- **Another Chance** – High School Graduation and GED support for pregnant and parenting teens and young adults.

Micro Business Development – Training, technical assistance, counseling, support, and access to capital for low-to-moderate-income Vermonters who are planning to start or expand a small business. The program specializes in working with low-income entrepreneurs with significant barriers to achieving success, such as disabilities, bad credit, and/or very limited income and resources.

Workforce Development / Training Initiatives – The VT CAAs offer a number of workforce initiatives that address persistent barriers to employment faced by disadvantaged workers with no, little, or unsuccessful work experiences, and who need customized and comprehensive training and services to overcome those obstacles, such as job readiness programs (e.g., “Ready for Work” and “Transitional Training”) that help a wide range of groups, including at-risk youth to obtain their first jobs, Reach Up participants to get real world work experience, and incarcerated individuals to gain core life & workplace skills to enter the workforce when they’re released.

Vermont Matched Savings Program / SaVermont – A matched savings and financial education program that helps low-income Vermonters invest in their future by enabling them to build financial assets. Matched by state funds, participants save – and have their savings matched – to purchase or repair a home, invest in training or post-secondary education, start or grow a business, or purchase or repair a vehicle.

Financial Capability – Helps low-income residents overcome barriers to financial security through education and coaching services designed to 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 enables them to better manage their scarce resources, repair or build credit, and establish or strengthen connections to financial institutions.

Volunteer Income Tax Assistance Program (VITA) – Free tax preparation, provided by well-trained, IRS-certified volunteers, for anyone with low income, people with disabilities, the elderly, and limited English speaking taxpayers who need assistance preparing their tax returns, enabling them to receive refunds and tax credits for which they are eligible, and thereby bringing millions of dollars back into the state and local economies and stabilizing low-income Vermont households.

Community Kitchen Academy – A culinary arts job training program operated by several VT CAAs in partnership with the Vermont Foodbank, in which professional chefs deliver a proven curriculum – and 9 college credits – for unemployed and underemployed Vermonters to give them marketable skills that prepare them for sustainable careers in the food service industry and help break the cycle of poverty.

Health & Nutrition

Health Navigators – Helps Vermonters navigate the confusing options provided by the Vermont Health Connect Exchange to enable them to find and sign up for the best health insurance coverage for their needs, budgets and circumstances, and to make required changes when their situation changes.

3SquaresVT Outreach – 3SquaresVT (the USDA-funded program also known as Food Stamps and SNAP) helps Vermonters stretch their food budgets to ensure an adequate and nutritious diet for themselves and their families, and thereby maintain and enhance their health. The VT CAAs conduct outreach to inform and encourage eligible individuals to apply and assist them to complete and submit the application.

Coordination for Children's Integrated Services – Children's Integrated Services (CIS) offers early intervention, family support and prevention services that help ensure the healthy development and well-being of children, from pre-birth to age 5, and all available to families at low or no cost. The CIS Coordinators: 1) Provide leadership to the regional CIS system of care in all aspects of systems development, service delivery, professional development, financing, data collection and evaluation for the CIS array of services, with the goal of supporting families in accessing needed services in a coordinated and integrated manner; and 2) Serve as liaisons between the Dept. of Children and Family's Child Development Division and the six regional CIS service providers and teams.

Child Care Food Program – Enables participating childcare and preschool program providers to serve children in their care nutritious meals and snacks that meet minimum daily requirements, and to provide nutrition education.

Farm-to-Family Coupons (aka Farmer's Market Coupons) – Distributed by the VT CAAs to enable senior citizens and other individuals to purchase fresh, locally grown produce at participating farmer's markets around Vermont.

WORKFORCE DEVELOPMENT



The VT CAAs offer a number of workforce initiatives that address persistent barriers to employment faced by disadvantaged workers with no, little, or unsuccessful work experiences, and who need customized and comprehensive training and services to overcome those obstacles.

CVOEO and **Capstone**, in partnership with the VT FoodBank, operate the Community Kitchen Academy preparing under- and unemployed Vermonters for food service industry careers through intensive culinary skills development, career readiness, and job placement training. Outcomes—85% job placement; 72% job retention

The Transitional Training Program at **BROC Community Action** serves mostly women between the age of 25 and 44, who are receiving support through Reach Up. There are also partnerships with The New Story Center, Vermont Associates, Vocational Rehab as well as an MOU signed with Goodwill. Seven gained full-time employment and 11 participants gained part-time employment.

SEVCA's Ready to Work builds core workplace skills in partnership with local agencies such as Phoenix House/Tapestry and other community groups.

NEKCA's Community Service Placements offer work experiences within their agency while teaching job readiness skills to Reach Up & 3Squares participants

Capstone partners with Farm to Plate to bring together food sector businesses with local educators and workforce development partners to explore career opportunities in the Washington WEB (workforce, education, & business) through internships and career exploration opportunities.



Skills Learned & Practiced:

- Job readiness
- Essential soft skills
- Team work & conflict resolution
- Internships
- Financial literacy
- Career exploration
- Parenting education
- Business training
- High school completion
- Interviewing
- Resume preparation
- Job placements
- Job retention

Capstone's Family Literacy Center educates pregnant and parenting teens for their high school diplomas and offers job readiness training and career exploration and internship opportunities.





Micro Business Development Program

The Micro Business Development Program 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.

Our program works:

With a small investment from the state, our program creates enormous returns for low income Vermonters and our communities.

We are different:

MBDP has statewide counselors that specialize in working with low income Vermonters who have significant barriers such as bad credit, disabilities, and/or very limited income, but have the desire to use self-employment and business ownership to provide income to support their families. We bring together human services and economic development. The Micro Business Development Program throughout the state helps to bring positive change to people's lives.

Average Annual Outcomes 2017 -2018

- **111 business starts or expansions**
- **82 new FTE jobs created**
- **\$1,439,256 in business capital accessed**

How we make an impact:

In addition to business counseling, MBDP programs throughout the state offer a variety of financial education, credit building, and savings programs. We partner with other organizations, such as business lenders, to ensure that participants have the resources necessary to become self-sufficient in all aspects of their lives.

*"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

SINCE 2010

7,524
LOW INCOME
VERMONTERS
PARTICIPATED IN MBDP

610
NEW BUSINESSES WERE
STARTED

436
BUSINESSES WERE
EXPANDED

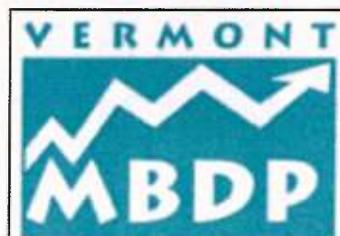
777.7
JOBS (FTE) WERE CREATED

\$9,750,126
IN CAPITAL WAS
LEVERAGED

Cost per job =
\$3,736
(VT General Fund)

For more information:

Annette Hoyle - BROCC in SW VT (775-0878)
Margaret Ferguson - Capstone in Central VT (477-5214)
Kate Larose - CVOEO in NW VT (860-1417)
Amy Robinson - NEKCA in NE VT (748-6048)
Denise Mason - SEVCA in SE VT (722-4575)



How Are You Supporting the Micro Businesses in Your Community?

Farm to Plate ~ Health ~ Business Consulting ~ Day Care ~ Tiny Home ~ Farmers Market ~ Manufacturing

Northeast Kingdom Community Action

Spice Box—Danville



Val Elliott grew up helping out in her Sicilian family's kitchen. Hend AL-Raimi grew up in Yemen and moved to Danville in 2016. Her love of cooking includes a wide range of foods from traditional Yemeni

dishes to the Korean specialties of her father-in-law.

Together they are bringing Middle Eastern food to the Northeast Kingdom, using fresh and local produce when available. This past year has been full of wonderful accomplishments for their business. In addition to being at the Farmers Market in Danville, they have added a pop up restaurant in St. Johnsbury, which has been a huge success. They were also chosen as a recipient of the Prosperity Fund, which will enable them to make upgrades to their kitchen equipment.

Val and Elliot came to NEKCA's Micro Business Development Program for marketing assistance. Their biggest obstacle has been introducing dishes that are not widely experienced in the Northeast Kingdom.

"Amy (from NEKCA) suggested that we also pay attention to the décor at our pop up restaurant to make the experience authentic. It was a huge success".

BROC-Community Action in Southwestern Vermont

Little Steps Daycare—Rutland



When Bethany was young, she possessed a very nurturing and compassionate demeanor towards others. When she had the opportunity to care for a small child, she was very excited! Being the youngest, she couldn't care for any

younger siblings, but friends of the family brought their small babies with them when they would visit. She would watch and imitate their mom as she changed diapers, fed and rocked the baby.

To provide income for her family with the ability to move from dependence on 3Squares VT, Bethany knew it was time to open Little Steps Day Care, LLC creating a safe loving environment for children while their parents are working or at school with the added bonus of spending the day with her son.

Little Steps Day Care, LLC meets the needs of parents looking for a quality day care. Little Steps Day Care, LLC is a warm and welcoming home, while providing a Montessori (real life experience) and Waldorf (imaginative) environment. This gives the children the ability to learn from real-life experiences and use their imagination.

Champlain Valley Office of Economic Opportunity

Yoga with Krista—Burlington



Krista was a successful business owner with her husband in the Caribbean, where they owned and operated a fishing charter. After she and her husband divorced, though, the business ended, and Krista was left without a means to make a living.

She eventually found herself in Vermont with an addiction to alcohol, homeless, and hopeless. Krista found help with her addiction through a yoga teacher training program specifically geared toward people in recovery. In her words, she saw firsthand how yoga helped her restore her body, heart, and mind to sanity.

She saw an opportunity for a unique business and turned to Financial Futures (at CVOEO) for help in May. Since then, she has been relentless in pursuit of her dream: making yoga accessible to everyone.

She enrolled in Growing Money workshops, and worked on her business plan with the support of her MBDP counselor. As a result, she obtained a \$2,500 grant to finance her business start-up cost. She now has a growing list of clients. She connected with local agencies that support people struggling with drug and alcohol addictions, and volunteers her time offering weekly yoga classes.

Southeastern Vermont Community Action

Elizabeth Johnson—Brattleboro



Elizabeth Johnson experienced some huge obstacles to fulfilling her dream of starting her own business: a difficult pregnancy, a serious health challenge (which turned out to be Lyme disease), unemployment, and even homelessness.

It took the doctors quite a while to diagnose Elizabeth with Lyme disease and she entered a period of housing instability but by Spring of 2017, she turned to SEVCA for support.

She took the Financial Fitness course, redoubled her savings efforts, and worked on her business plan with one-on-one support from the Micro Business program. She had begun doing some design and organizational systems consulting with businesses, but she wasn't yet convinced she could make a living at it.

"Doing the business plan forced me to think through what my service really was, and what I would need to do to make enough money to support myself," Elizabeth says. "Once I did the plan, it really shifted how I saw myself engaged in the world, and I was able to present myself more clearly as a 'business consultant.'"

"Participating in the matched savings program and writing a business plan really gave me a newfound confidence for my success," she says. "[Before] I was not able to get out of poverty, and now I'm on the verge of doing that for the first time in 12 years."

Capstone Community Action Rusty Cottage—Washington



Ruben Colon and his wife, Dorothy purchased their property in Washington, Vermont ten years ago. The property included the house they live in and two cabins without plumbing.

Hoping to earn extra income, they decided to rent the cabins to travelers and had some success. They felt bathrooms would increase business but were unable to get a loan.

They started working with Capstone's Micro Business Counselor (Margaret Ferguson). She helped them develop a business plan, Ruben got estimates from contractors, and Margaret connected him with Community Capital of Vermont. He was approved for a \$40,460 loan!

One of the cabins is complete with a new bathroom and is "booked solid" says Ruben. The other cabin's bathroom addition is still in progress. Ruben says they have definitely made a profit every month and it's a welcome addition to their Social Security income as well as personally rewarding.

FINANCIAL CAPABILITY PROGRAM

Annual Survey Results

Capstone's 2018 Annual Financial Capability survey, sent to individuals who had received counseling or attended financial education classes, shows:

- 50%** of respondents have set aside money for savings
- 76%** of those respondents have started saving regularly
- 62%** of respondents have taken steps to improve their credit score
- 42%** of those have increased their score
- 87%** reported that working with a financial coach or attending a class was helpful in reducing their debt

Testimonials:

"This was a great experience for someone who struggles with their finances. Before, I was afraid of dealing with these issues. Now I'm more confident with how I handle my finances. Thank you!"



"The classes are GREAT. My meetings with (my counselor) have been invaluable. I leave with a clear list of goals and expectations. (My counselor) is thorough and answers all of my questions/concerns."

CVOEO's 2018 Annual Financial Futures Program survey reports:

- 83%** of respondents feel more financially secure after working with a Financial Coach
- 56%** of respondents started saving money after working with the Financial Futures program
- 79%** of respondents reduced spending 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."

"After taking the two classes and working with (Financial Futures) I went from a mid-500 credit score to a very high 700 credit score!"

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 situation's, 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 three full time AFCPE® Accredited Financial Counselors and two part time financial coaches. The Vermont CAA Network is requesting \$500,000 to support continued services at Capstone and CVOEO and to expand services to SEVCA, NEKCA, and BROC.

FINANCIAL CAPABILITY PROGRAM

* A SAMPLING OF THE WORK WE'RE DOING NOW *

BROC Community Action in Southwestern Vermont (BROC)—life after incarceration

Shelly Faris, Team Leader of the Economic and Workforce Development Program at BROC, offers a monthly financial capability workshop to inmates at Marble Valley Correction Facility in Rutland. Financial topics include credit building, managing student loans, and opening up a bank account after incarceration. Inmates are also educated on the community resources available to them after they are released from jail, such as housing supports and fuel assistance. Faris works in small groups and allows the inmates to drive the financial conversation according to their interests and questions. Faris states, "BROC's mission, as 'community action' is to improve people's lives, and this is definitely a sector of the community that I feel we can help."

Capstone Community Action—student loan counseling and support

Amanda is in her mid-thirties and recovering from opiate addiction. Through a partnership with Vermont's Reach Up Program which offers financial incentives to work with a financial coach, she met with Capstone to work on budgeting and credit building. After reviewing her credit report she saw that she had just under \$6,000 in federal student loans in default. Amanda did not know that the balance was increasing due to interest, and she didn't understand that eventually she would have to pay back the loans either through a payment plan or worse, through forced wage or tax return garnishment. Amanda and her coach met for several weeks to resolve the problem. She is now in a 9-month rehabilitation program, paying \$5.00/month. Once the 9-months is up, she will begin paying on an income-based repayment plan. By then, she anticipates that she will be working. Amanda said, "you helped me more than I knew I needed with my finances, so thank you very much!"

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, who spent her entire career as a nurse and caretaker, was now unable to work at the age of 60 due to back pain. She had already created a network of support with help for subsidized housing, SNAP benefits, SSDI and medical care. She came to NEKCA for additional budgeting assistance. She was frustrated as she felt she was doing all she could and still could not make it through the month financially. 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 figure out how to 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 take out a free movie instead of having cable, might not seem that 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.



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



- * 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 1997-2018

998 Vermonters successfully completed the IDA program, using \$2,778,091 in savings and match funds:

- 566 Business—invested \$1,574,493
- 229 Education—invested \$600,146
- 203 Homeowners—invested \$603,452

FY 2018 Outcomes

47 Vermonters invested \$122,185 in savings and match:

- 28 Business \$67,831
- 7 Education \$21,000
- 12 Homes \$33,354



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

* 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.

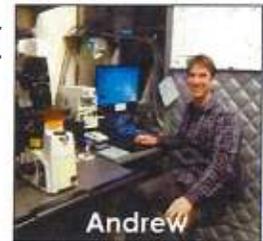
Because Tara Lynn is always thinking ahead about her business needs in order to grow, she enrolled in the IDA program. She is extremely appreciative for the opportunity to use her IDA to expand her market to attract customers all over the world!

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

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



A Cut Above the Rest

Nermina Beslagic is a former Reach Up client and a single mom. She joined the IDA program to help grow her dog grooming business, **A Cut Above the Rest, LLC**. Nermina had recently earned an Associate's Degree in Vet Technology from VTC when she began working with Capstone's financial coach. She was working two part time jobs when she decided to take the leap of faith and go out on her own. She started her business on-site at a local, established kennel, and the business continues to grow.

With her IDA funds, she plans to buy more kennels and a dryer for the dogs. She is no longer on Reach Up and says for the first time she is able to save a portion of her tax refund.



Volunteer Income Tax Assistance Program (VITA)

WHAT WE DO

IRS Certified volunteers provide free tax preparation for anyone with annual income of less than \$54,000 at sites around the state. We take the pressure off individuals trying to negotiate the often complex tax laws that accompany even the most basic returns. And, we save Vermonters the sometimes exorbitant cost of paying for tax preparation services and falling victim to some preparers' predatory refund anticipation loans.

-- FY 18 Outcomes --

Vermont Community Action Agencies:

**\$6.8
Million!**

Put \$6,827,221 back into the economy in refunds & credits, & helped to stabilize families with low income.

**7,153
Returns**

Completed 3,309 Federal returns and 3,844 State returns

**In
Addition...**

Assisted households with Renter's Rebate applications and Homestead Declarations

WHO WE SERVE

Individuals with low and moderate incomes, including:

- The elderly
- Individuals with disabilities
- New Americans

We provide interpreters for those that have difficulty with English and sign language interpreters for the hearing impaired.

94%

ACCURACY RATE

VITA is proven to have the most accurate filing rate of any tax preparer nationally

RETURN ON INVESTMENT

These outcomes are the result of one grant from the IRS of just \$49,000 to serve the entire state. When taking into consideration tax refunds and avoided tax prep fees (estimated to be \$676,544) that's more than \$153 in the pockets of Vermonters for every \$1 expended by the IRS grant.

**ROI
of
1:153!**

How Are Funds Used?

The money is used for staffing to recruit, coordinate and train volunteers, to identify and establish multiple sites, to provide technical support to the volunteers, and to answer taxpayers' questions during and after tax season, along with expenses associated with outreach and reporting.