



VT House Commerce Committee Testimony for MBDP and IDA

By Sue Minter, Executive Director

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BROC - Community Action in Southwestern Vermont
45 Union Street, Rutland
Serving Bennington and Rutland counties

Capstone Community Action

20 Gable Place, Barre

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

Serving Chittenden, Franklin, Grand Isle & Addison counties.

NECKA - Northeast Kingdom Community Action

70 Main Street, Newport & 115 Lincoln St, St. Johnsbury

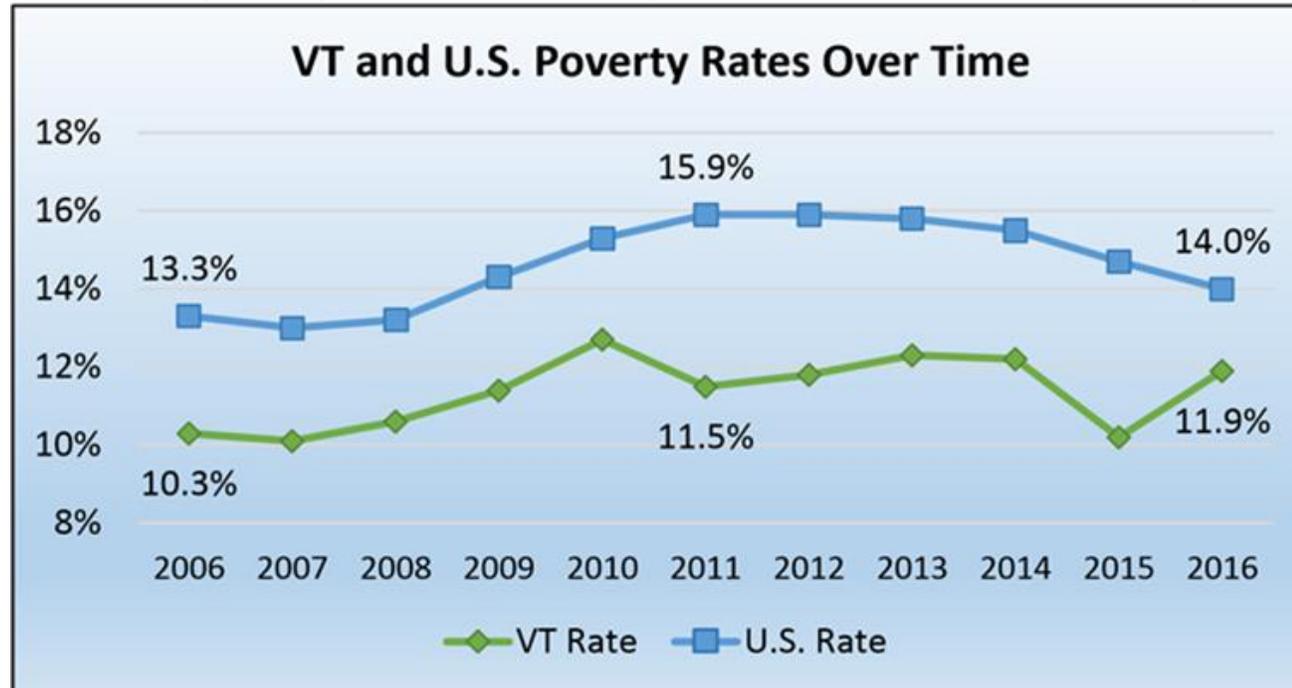
Serving Caledonia, Essex and Orleans counties.

SEVCA - Southeastern Vermont Community Action

91 Buck Drive, Westminster

Serving Windham county and most of Windsor county.

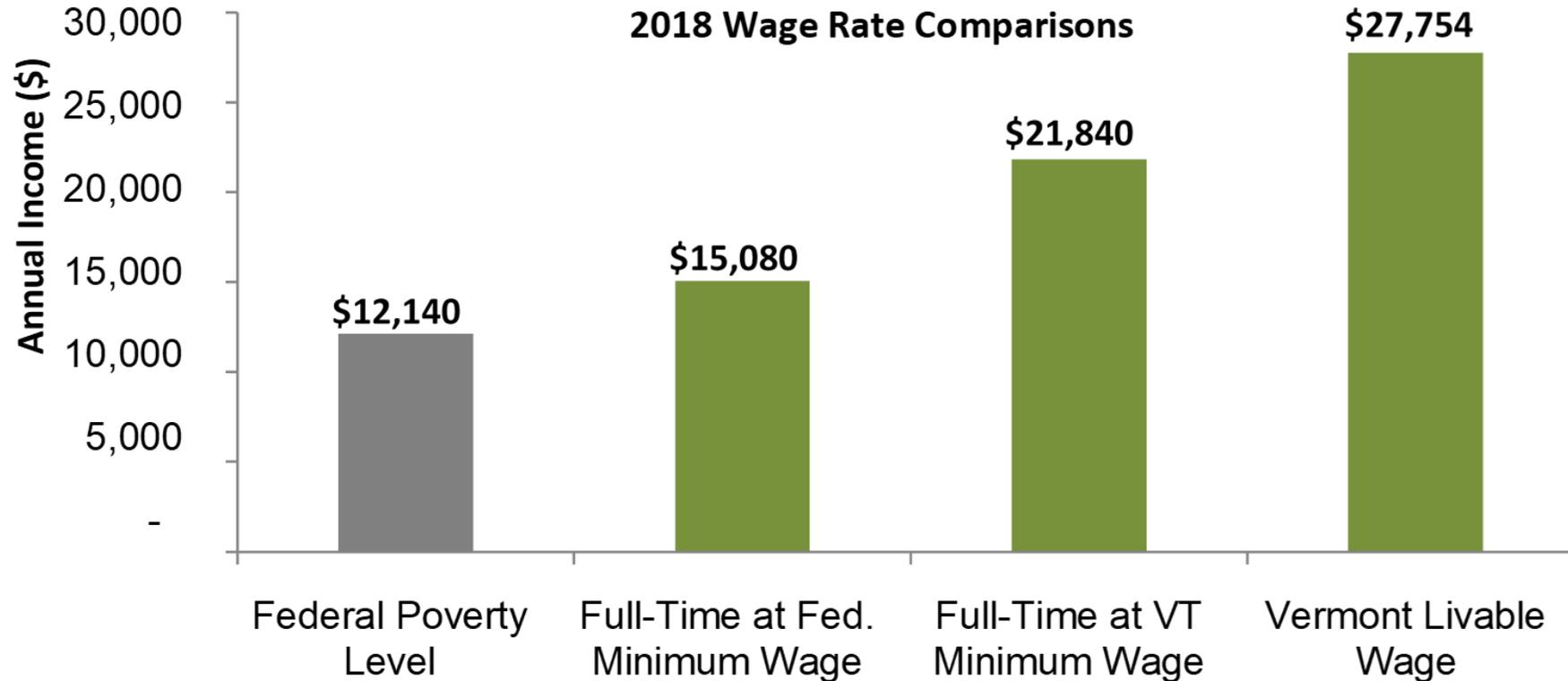
Vermont's poverty rate is consistently lower than the National average.



Poverty status is determined by income thresholds based on family size and composition. For example, in 2016 the federal poverty line for a family of four was \$24,300. Any household of this description making less than that amount would be considered to be in poverty.

- ▶ From 2006-2016, US Poverty rate stable, yet Vermont's poverty rate increased by 2% over the decade.
- ▶ Poverty in Vermont increased while overall Vermont economy improved.

What's a livable wage in Vermont?



The **Vermont Livable Wage** is defined in statute as the hourly wage required for a full-time worker to pay for one-half of the basic needs budget for a two-person household, with no children, and employer-sponsored health insurance, averaged for both urban and rural areas. **The 2018 Vermont Livable Wage is \$13.34 per hour**

Making ends meet

- Food and Nutrition Programs
- Home Heating and Utility Assistance
- Housing Counseling and Transitional Services
- Homelessness Prevention



Building stronger families

- Head Start & Early Head Start
- Child Care Food Program
- Family Literacy Center
- Physical, Oral, and Emotional Wellness



Opening doors to economic opportunity

- Matched Savings & Asset Building Programs
- Community Kitchen Academy
- Micro Business Development
- Savings & Credit Programs
- Tax Preparation Program
- Workforce Development



Creating warm and healthy homes

- Weatherization and Energy Efficiency Services
- Energy Efficiency Education

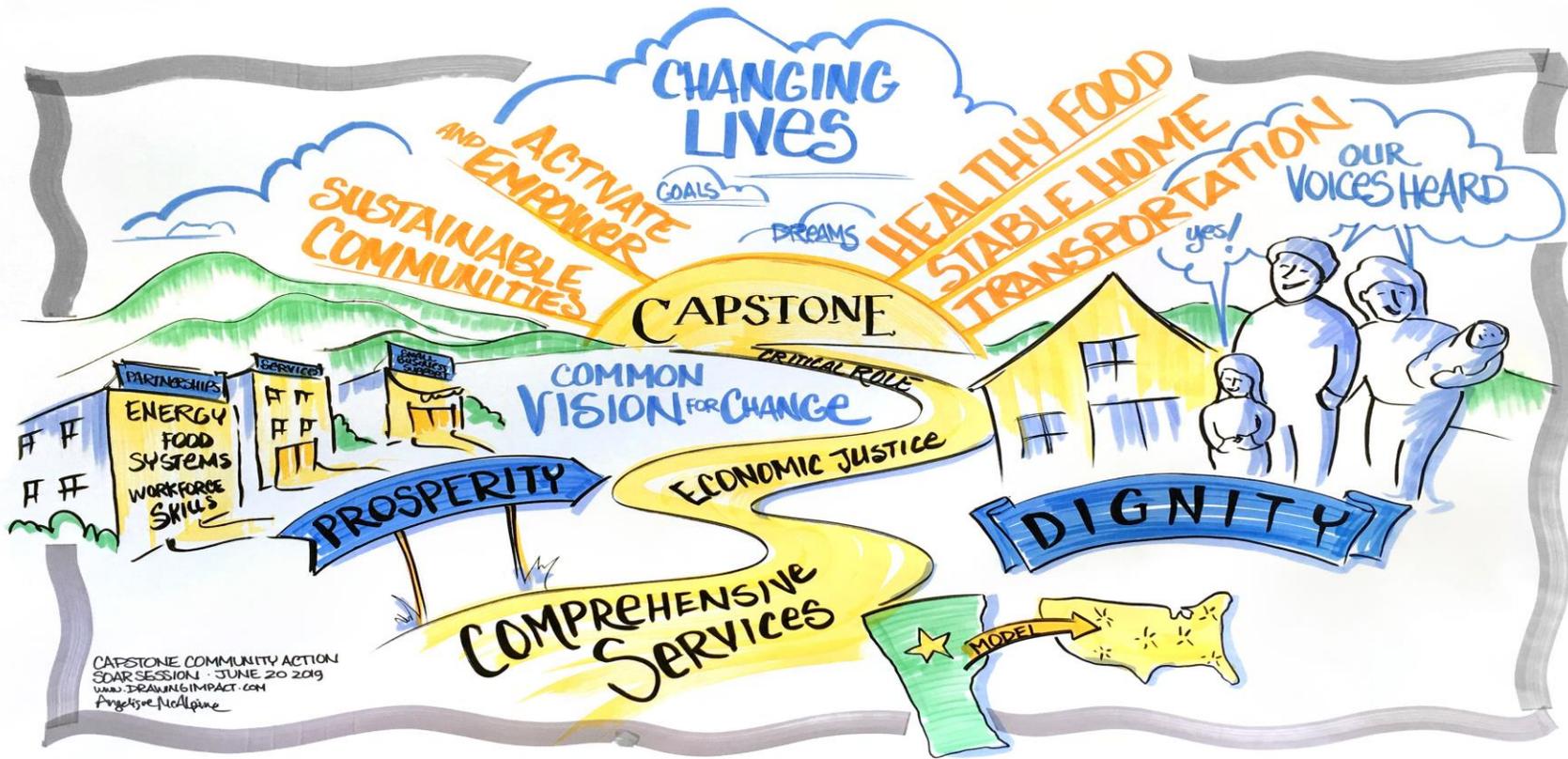


The Micro Business Development Program (MBDP) Since 1989, MBDP has provided free business technical assistance (training and counseling) and access to capital to low-income Vermonters. The Vermont Community Action Agencies (CAAs) work in conjunction with many partners, including other service providers, 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.**

In the last 5 years, across Vermont, these programs have achieved the following:

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



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Capstone Community Action's Impact Video