

VLIAC Vermont Low Income Advocacy Council

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

House Commerce and Economic Development Committee

The Vermont Low Income Advocacy Council has many priorities both maintain the safety net for the short term needs of those Vermonters who are struggling in the short term and support for investments in those anti-poverty programs and policies that we know work and have proven results

I wanted to lend our support for 3 of those key economic programs today that the legislature has continued to invest in over the years. The Micro-Business Development Program, the Vermont Matched Savings Program (Individual Development Savings Accounts) and Financial Capabilities are 3 proven strategies to move people out of poverty.

As you know the Governor has proposed budget has eliminated the funding for the programs that continue to be on the Low Income Advocacy’s Councils priority list each and every year. For the last three years the legislature has recognized the value of these successful programs that create jobs, increase income, build assets and provide lifelong financial skills that stabilize and improve the lives of low income Vermonters by investing an additional \$100,000 each of the last three years.

The CAPs are here today and will give you an overview and the numbers, and share some stories and challenges, but I also wanted to make sure to mention that for the past number of years *the Advisory Council on Child Poverty and Strengthening Families* has included these strategies along with others as recommendations for economic empowerment.

The 2019 Annual Reach-Up report also shows that Economic empowerment programs that enable families to build assets and learn about their finances at the same time, provide a crucial income boost for very low-income families.

I include excerpts from the Child Poverty recommendations and links to both of the full reports.

Thank you for your consideration

Karen M Lafayette, VLIAC

Advisory Council on Child Poverty & Strengthening Families

<https://legislature.vermont.gov/committee/detail/2020/341>

4. Economic Empowerment and Employment Supports

The Advisory Council recommends:

- a) increasing the minimum wage for all workers in Vermont to be consistent with a liveable wage alongside corresponding adjustments in benefits eligibility to avoid perpetuating the benefit cliff;
- b) the adoption of paid family and medical leave legislation, which provides economic support and job security to families facing serious illness or to bond with a new child;
- c) increasing base funding for economic programs that create jobs and build savings and assets, for example the Micro-Business Development Program and the Vermont Matched Savings Program (formerly Individual Development Accounts);**
- d) investing in workforce training, financial capability, and financial literacy education;**
- e) supporting transportation-related public initiatives, including increasing public transportation options, increasing access to reliable and affordable vehicles, and providing license fee and fine remediation assistance;
- f) supporting funding for tax preparation programs for persons with low income, such as the Volunteer Income Tax Assistance program;
- g) increasing cash assistance to Vermont's most vulnerable families to 100 percent of basic needs and eliminate the \$77/monthly penalty for families with an adult who has a disability; and
- h) continuing to increase the income disregard and asset limit in the Reach Up program.

2019 Annual Reach-Up Report

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