

February 6, 2020

Dear members of the House and Senate Appropriations Committee:

Thank you for holding this meeting and giving people the opportunity to comment on the Governor's proposed budget for fiscal 2021.

I'll get right to the point. The proposed budget cuts funding to the Micro Business Development Program. My experience in lending to micro businesses as a volunteer tells me cutting funding to this proven program is mistaken.

If you are not familiar with the program, it helps people already living in VT to develop businesses, provides financial and credit coaching, instruction on writing a business plan, and training on business record keeping. The Micro Business Development Program provides skills. The Micro Business Development Program provides encouragement!

The Micro Business Development Program is unique. It does not duplicate services provided elsewhere in Vermont by other programs, but most often works as the first step *with* other programs. It serves entrepreneurs – existing and yet-to-be – as part of an integrated process. *The key word is MICRO.*

Respectfully, drawing on my experience on various micro business loan committees, let me give you a few typical examples of how the Micro Business Development Program helps Vermonters:

- Neighborhood deli – assistance provided – one-on-one business plan development, assistance with marketing, location selection and record keeping. With the coaching of the Micro Business Development Program, the deli got off the ground with start-up financial backing from Community Capital of VT. (Community Capital of VT provides micro loans to start-ups and small businesses across Vermont, relying on the Micro Business Development Program's up front work with entrepreneurs. Developed out of the Capstone Financial Capabilities program, Community Capital is an independent non-profit headquartered in Barre. Its borrowers are unable to access other forms of credit.)
- Local garage – in this case the business owner didn't want to grow, but just needed a friendly assist to enable him to be more efficient, more organized, better price his work and expand the number of jobs he could do from his existing facility and with his time.
- Independent clothing store – another start-up, so assistance was with development of the business plan, market analysis and record keeping. Again, start-up capital for renovations and working capital was supplied by Community Capital of VT.

These may sound like simple businesses with small needs. But those are often the hardest to reach and serve.

Thank you for your efforts and care for Vermont and Vermonters.

Sincerely,

Hope Crifo

New Capstone Bd. Member, former VEDA micro loan committee member, former multi-year Community Capital Board member, treasurer and Loan Committee chair.