

# Doubling down on FINANCIAL CAPABILITIES

## VCAP's Legislative Request

VCAP is seeking **\$1.65M** in base funding in FY26 for the MBDP, VITA Tax and Financial Coaching programs ( a \$593,000 from FY25).



**MBDP:** Requesting \$581,000 for FY26, a \$88,000 increase from FY25

**VITA:** Requesting \$548,000 for FY26, a \$148,000 increase from FY25

**FINANCIAL COACHING:** Requesting \$528,000 for FY26, a \$358,000 increase from FY25

## THE VERMONT NEED

When Vermont families experience financial success in budgeting and saving, they become less reliant on our overburdened essential support services. When people can meet their basic needs, they have a path to economic security and independence. Financial Capability programs play an essential role in supporting participants in building new money habits, navigating resources, avoiding fraud, and getting over the benefit cliff and into long-term economic security and growth.

**18.9%**  
of Vermonters have income volatility

**10%**  
Vermont Households have Zero Net Worth

**60%**  
Vermonters are employed by a small business

**20.7%**  
of EITC-eligible households do not claim the credit. That leaves an estimated \$11M in new federal dollars on the table that could be injected back into Vermont's local economy!

## VCAP REACH

**1,062** individuals received coaching to build assets and increase financial skills

**962** individuals enrolled in financial capability classes

**4,788** Vermonter households received tax assistance

**197** New Americans participated in financial coaching, house parties and classes

## VCAP ANNUAL IMPACT

**91** Vermonters increased their savings

**593** Vermonters participated in micro-business and development start-up classes

**\$4,741,180** in tax refunds were returned to the Vermont economy through the VITA Program with **\$12,679,418** in tax credits

# Expanding FINANCIAL CAPABILITIES to serve more Vermonters

Some of these programs have not seen an increase in over a decade and others are only partially-funded.

These coaches have had tremendous success in supporting individuals and families in meeting financial security milestones and offer the state significant return on investment. With coaching support, more Vermonters are stabilizing personal finances, establishing small businesses, and securing eligible returns in tax credits.

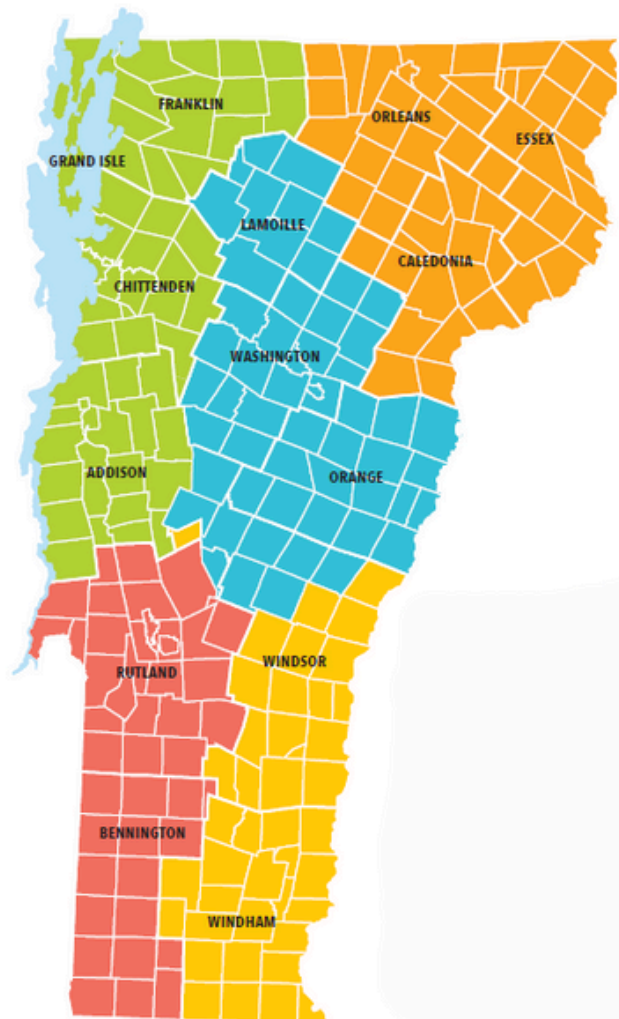


## FOR MORE INFORMATION:

Contact the Jan Demers, VCAP Coordinator  
[Jandemers@cvoeo.org](mailto:Jandemers@cvoeo.org)

## VCAP LEADERSHIP

	<b>BROC Community Action</b> TOM DONAHUE tdonahue@broc.org 802-665-1723 45 Union Street, Rutland VT 05701 <i>Serving Rutland and Bennington Counties</i>	
	<b>Capstone Community Action</b> ALISON CALDERARA acalderara@capstonevt.org 802-479-1053 20 Gable Place, Barre, VT 05461 <i>Serving Addison (Granville, Hancock), Washington, Orange, Lamoille, Rutland (Pittsfield) and Windsor (Barnard, Bethel, Rochester, Royalton, Sharon, Stockbridge) Counties</i>	
	<b>Champlain Valley Office of Economic Opportunity</b> PAUL DRAGON pdragon@cvoeo.org 802-863-2771 ext. 740 PO Box 1603, Burlington, VT 05402 <i>Serving Chittenden, Franklin, Grand Isle and Addison Counties (except for Granville and Hancock)</i>	
	<b>Northeast Kingdom Community Action</b> JENNA O'FARRELL jofarrell@nekcvart.org 802-334-7316 / 802-748-6040 10 Main Street, PO Box 346, Newport, VT 05855 <i>Serving Orleans, Essex and Caledonia Counties</i>	
	<b>Southeastern Vermont Community Action</b> JOSH DAVIS jdavis@sevca.org 802-722-4575 91 Buck Drive, Westminster, VT 05158 <i>Serving Windham and Windsor Counties (except for Barnard, Bethel, Rochester, Royalton, Sharon and Stockbridge)</i>	





# MICROBUSINESS DEVELOPMENT PROGRAM

Since 1988, the **MICROBUSINESS DEVELOPMENT PROGRAM** (MBDP) has helped to strengthen the economic self-sufficiency of more than **10,000 Vermonters** as well as the economic vitality of our communities. MBDP’s across the state have helped launch or expand more than **2,100 Vermont businesses**, created thousands of jobs, and helped entrepreneurs leverage more than **\$15 million** in financing.

- **One-to-one business counseling:** Coaches offer support to each small business from development stages to opening day.
- **Business Workshops:** In-person and virtual workshops around specific small business topics are offered to the community.
- **Funding Opportunities:** Coaches connect participants to small business funding opportunities and support them in applying.

MICROBUSINESS DEVELOPMENT PLAN REQUEST	
FY25	FY26
\$493,335	\$581,000
<b>INCREASE FY25 to FY26</b>	<b>\$88,000</b>

This includes a 7% increase overall, and one additional 0.5 FTE for CVOEO due to scale of service need/opportunity



# VITA TAX

Filing state and federal income taxes, small business taxes, Renter Credit, and Property Tax Adjustments can be confusing. **Volunteer Income Tax Assistance (VITA)** program is here to help families or individuals who make \$67,000 or less file.

Trained volunteers and paid staff help Vermonters file during normal tax season, or can help if you did not get a chance to file after tax season is over. If you have received a confusing letter from the IRS, or forgot to file a property tax adjustment claim, we can assist you at no cost. VITA helps Vermonters each year claim their refunds and credits and help put dollars back into our communities.

In 2022, **\$6,192,280** in tax refunds were returned to the Vermont economy through the VITA Program with **\$1,222,054** in tax credits.

VITA REQUEST	
FY25	FY26
\$400,000	\$548,000
<b>INCREASE FY25 to FY26</b>	
	<b>\$148,000</b>

This includes an increase from ~0.75 FTE to 1.0 FTE per agency, +\$20,000 to CVOEO for statewide administration



# VITA TAX

## FY 24 Community Action VITA By the Numbers

**118** Volunteers averaging 73 hours/volunteer

**5032** returns filed in 2024

**1067** Earned Income Tax Credits received averaging **\$1112.00**

**502** returns with Child Tax Credit averaging **\$1414.00**

**454** Small Business/Schedule C Tax returns filed

**\$4,741,180** in tax refunds and credits back into the community

*“My tax preparer passed away and my friend told me about your tax services. I have been paying \$450 a year to file my simple taxes (social security and a small pension) and my homestead/property tax credit. I’m so excited to get my appointment!”*

**Sandra P, Barre**



# FINANCIAL COACHING

Across Vermont, **FINANCIAL COACHES** are supporting Vermonters in making wise financial decisions to increase economic security. Coaches support individuals and families with the following:

- Creating a budgeting and spending plan
- Credit coaching and credit building strategies
- Debt management
- Financial goal setting
- Tips and resources to save on living expenses
- Navigating Benefits and Programs
- Monthly financial literacy workshops

FINANCIAL COACHING REQUEST	
FY25	FY26
\$170,300	\$528,000
INCREASE FY25 to FY26	\$358,000

This includes an increase from ~0.3 FTE to 1.0 FTE per agency

SFY24 (July 1, 2023-June 30, 2024) Financial Coaching Data Vermont Community Action Partnership (VCAP)

Annual performance measures	Statewide YTD	BROC YTD	CAPSTONE YTD	CVOEO YTD	NEKCA YTD	SEVCA YTD*
# Participants served unduplicated (coaching and workshops)	858	79	358	232	139	50
# New participants this time period	555	66	209	104	131	45
# Classroom hours provided	238	14	49	150	23	2
# Workshop attendees unduplicated	447	61	116	176	77	17
# Unduplicated participants receiving 1:1 financial coaching/counseling	503	54	270	84	62	33
<ul style="list-style-type: none"> <li># coached Participants whose credit scores increased</li> </ul>	44	11	17	13	3	0
<ul style="list-style-type: none"> <li># coached Participants who started a new savings acct.</li> </ul>	59	3	52	1	3	0
<ul style="list-style-type: none"> <li># coached Participants who increased their savings</li> </ul>	135	4	110	11	9	1
<ul style="list-style-type: none"> <li>% coached Participants who increased their savings</li> </ul>	27%	7%	41%	13%	15%	3.0%
<ul style="list-style-type: none"> <li># coached Participants who reduced their debt</li> </ul>	93	15	59	12	4	3
<ul style="list-style-type: none"> <li>% coached Participants who reduced their debt</li> </ul>	18%	28%	22%	14%	6%	9%
# Participants who increased their income/or obtained employment	12	1	didn't collect	5	6	0
# Participants whose modified FCS score improved after working with a coach	53	36	6	4	7	0
#/% Participants reviewed their energy burden as part of budget & goal planning	65/7.6%	39/49.4%	26/7.3%	did not collect	did not collect	did not collect

\*Understaffed and did not draw down on grant funding during the period when there was no staffing

FFY24 (October 1, 2023-September 30, 2024) MBDP Vermont Community Action Partnership (VCAP)

Annual performance measures	Statewide YTD	BROC	Capstone	CVOEO	NEKCA	SEVCA*
Total # of Participants Served	694	61	127	353	101	52
New Participants	303	38	80	87	47	51
# Unemployed and obtained a job	20	5	5	2	6	2
# of business plans completed	48	7	3	11	26	1
# of new business Start-ups	73	11	24	14	17	7
# of new business Expansions	53	3	18	13	14	5
# of Jobs Created (FTE)	60.5	8	19	15.5	18	0
% of participants who started or expanded a business	18%	23.0%	33.1%	7.6%	30.7%	23.1%
\$ of Capital Leveraged	\$ 687,520	\$88,454.17	\$119,150.00	\$408,266.00	\$71,650.00	\$0.00
# & types of capital transactions	78	23	9	28	18	0
• other owner equity (bank account balances)	29	14	1	11	3	
• Voc Rehab-HireAbility Financial Assistance	24	3	6	10	5	
• Bank or Credit Union Loans			2			
• Non-bank loans (CC of VT, farm fund, etc.)				1		
• grants	22	6		6	10	
• gift/inheritance	17					
# of businesses leveraging additional capital	65	17	9	21	18	0

\*Understaffed and did not draw down on grant funding during the period when there was no staffing





January 30, 2025

To Whom It May Concern:

I am a vocational rehabilitation counselor working with Vermonters who are returning to employment following an injury. I am writing to share feedback on the positive role that Capstone Community Action Micro Business Development Program has played in the successful return to work efforts of my clients.

I assist individuals with many types of injuries find employment that is physically safe, and that pays a comparable wage to what they were earning previously. Occasionally, the circumstances of a case require that self-employment be considered as a return to work option, and the Department of Labor requires that the individual work with a business consultant to ensure the self-employment plan is viable.

When self-employment was considered, my clients had the opportunity to work with Rosie Gray, AFCPE Accredited Financial Counselor at Capstone Community Action on development of their business plan. Ms. Gray has always provided invaluable advice and direction for my clients, and assisted them in navigating a new and unknown process. From the first step of discussing a new business idea to the final step of providing her written approval on the feasibility of the business, Ms. Gray has helped my clients build a plan for their future.

I had the opportunity to see the value of the MicroBusiness Program, and specifically Ms. Gray's expertise in action when my client worked with her to develop a small business plan for a furniture restoration company. Ms. Gray provided guidance throughout the entire process of estimating start-up costs, obtaining business permits and creating a cashflow forecast for the first several years of business. With Ms. Gray's written support for the viability of the business, my client was able to obtain start-up funds as part of his workers' compensation settlement agreement. He then built a furniture restoration shop and implemented his business plan.

The Micro Business program provides an important service to local Vermonters by giving them the opportunity to pursue employment goals, establish themselves as part of the local economy, and importantly, build hope and optimism for their futures.

I highly recommended the services of the Micro Business Development Program and believe it provides an irreplaceable benefit to local communities.

Thank you for the opportunity to provide feedback.

Sincerely,

*Karina Dunigan, MS, CRC*  
Vocational Rehabilitation Counselor



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