

Micro Business Development Program Creates Jobs, Helps People Move Out of Poverty



Barre, VT, November 3, 2005: The Micro Business Development Program (MBDP) at the Central Vermont Community Action Council is creating jobs and helping Vermonters to move out of poverty, according to research conducted by the Center for Rural Studies at the University of Vermont. The report outlines the program's accomplishments and outcomes for clients accessing its services who are hoping to start or expand very small businesses. The survey documents economic impact via job creation—showing the creation of 30 new jobs by the program.

“The positive results of the project evaluation are consistent with similar research conducted on micro business development programs in the United States. This research shows that CVCAC is effectively working to impact clients' lives and businesses in a variety of ways, including increased self-esteem and motivation, increased household income, decreased reliance on public assistance, and the generation of jobs in the community,” says evaluator, Michele Cranwell Schmidt.

The survey reached a representative sample of economically disadvantaged people who accessed MBDP services over the past two years. Research yielded the following program impacts:

- 33% of Vermonters accessing services who were planning to start a business were able to do so.
- 67% of the established business owners utilizing the program were able to keep their businesses operational.
- 52% reported increasing business sales and 50% reported increases in household income.

Similarly, over 50% reported having decreased their reliance on public assistance since they started working with the Micro Business Development Program and 94% indicated that they are better off today because of their program participation. In fact, one participant remarked, “I needed a stepping stone and encouragement. The program made me feel more comfortable and explained to me the steps on how to start my business.”

MBDP Program Coordinator Carol Flint was pleased with the positive impact shown by the report. “I’m glad to see that our program is helping people who really want to make a better life for themselves and their children. The results point to both better lives for individuals and better economic benefit for their communities through new job creation,” says Flint.

Funded by the Job Opportunities for Low Income Individuals (JOLI) program of the U.S. Department of Health and Human Services, CVCAC contracted with the Center for Rural Studies to evaluate MBDP effectiveness and impact on the local economy. Funded for three years, this project of the Micro Business Development Program aims to work with 225 people whose incomes are at or below the poverty level and who want to start or expand small businesses. In spite of significant barriers, the evaluation determined that not only were individuals personally successful, the program had a significant economic impact in central Vermont.

The Micro Business Development Program at the Central Vermont Community Action Council provides training and counseling for low to moderate income Vermonters who are planning to start or expand a small business. Micro businesses are businesses that have 5 or fewer employees including the owner. Examples of micro businesses include caterers, small scale food production, service businesses like childcare, hair salons or nail care, painting, carpentry, small restaurants, artists, wood crafts, etc. For a copy of the report or more information about the Micro Business Development Program, contact Sarah Phillips, MBDP Program Coordinator at (802) 479-1053.