

TANF RURAL TRANSPORTATION ROUNDTABLE  
JANUARY 27, 2009

# THE JUMPSTART™ PROGRAM



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**A PROGRAM THAT HELPS TANF  
MOMS BUY LATE MODEL ECONOMY CARS**

# West CAP Creates JumpStart

- Work not Welfare Pilot
- “Becky Gets to Work”
- Otto Bremer Foundation
- WETAP (TANF)

# The Ten Requirements

- Safety
- Reliability
- Flexibility
- Manageability
- Affordability
- Consistent, predictable Expenses
- Sustainability
- Rural and Urban Applicability
- Reasonable Public Cost
- Environmental Responsibility

# JUMPSTART MEETS **ALL** TEN REQUIREMENTS!

Minimum Requirements	Public Transit	Volunteer Drivers	Commercial Service (Taxis)	Old "Beaters"	Van or Car Pools	JumpStart
Safety	Yes	?	?	No	?	Yes
Reliability	Yes	?	?	No	Yes	Yes
Flexibility	No	No	No	Yes	No	Yes
Manageability	No	No	No	?	No	Yes
Affordability	Yes	Yes	No	?	Yes	Yes
Consistent Costs	Yes	Yes	No	No	Yes	Yes
Sustainability	Yes	No	Yes	No	?	Yes
Urban and Rural	No	?	No	Yes	Yes	Yes
Acceptable Public Cost	?	Yes	No	?	Yes	Yes
Environmental Responsibility	Yes	?	No	No	Yes	Yes

enter...



**WEST CAP'S NONPROFIT  
CAR DEALERSHIP**

# FOLLOW THE MONEY

▶ **CAR: 2-3 YEAR OLD ECON (4 CYL) - 31,000 MILES ON ODOMETER**

\$9,975 AVERAGE RETAIL PRICE

▶ **BASE PROGRAM PRICE** \$8,479 (INCLUDES FEES, TRANSPORT, INSPECTION, REPAIRS)

▶ **SALES TAXES** \$ 466

▶ **REGISTRATION** \$ 98

▶ \$ 564

▶ **PRICE + TAXES & REG.** \$9,043

▶ **PARTICIPATION FEE** \$ 400 (MAJOR REPAIR ASSURANCE)

▶ **PRICE TO CLIENT** \$9,293

▶ **LESS DOWNPAYMENT** (\$1,500) (FORGIVABLE LOAN)

**CLIENT LOAN AMT.** **\$7,993**

▶ **MONTHLY LOAN PYMT** \$ 159 (5 YEARS / 7.75%)

▶ **ESCROW REPAIR FUND** \$ 20 (HELD IN ESCROW)

**MONTHLY PAYMENT** **\$179**

So.....What Happens if you meet all of the **10 Requirements** for the “Beckys” of the world, (or of Wisconsin at least, and probably the rest of rural America)?



In three separate surveys from 2001 to 2004, JumpStart customers reported **significant** (over 20%) to **dramatic** (over 80%) improvement in these areas:

- Increased income
- Changed to better jobs
- Moved to better housing
- Went from renters to homeowners
- Advanced their formal/tech. education
- Improved the quality of their child care
- Improved overall financial security
- Increased credit scores
- Reductions in public assistance
- Greater social & community involvement
- Better overall quality of life

In fact, we found these significant to dramatic results in *every area we measured.*

SO

We believe good, economical cars are a *lynchpin* connecting low-wage workers to other assets

# Why Does JumpStart Work?

- Born in the field
- Carefully researched; lowest cost per mile for safe, reliable, affordable transportation
- Holistic approach
  - ▶ Connects meaningfully to the whole life of the customer over time; meets all their transportation needs; exit strategy
  - ▶ The customer is an active, invested partner in the program and Loves the Car and has a powerful incentive to do what it takes to keep it
  - ▶ Works for everybody else too; funders, lenders, service providers, partners, sponsoring agency
- Combination of flexibility and a commitment to success

# Why Does JumpStart Work?

- Major emphasis on the machine itself
  - ▶ Minimum EPA hwy rating of 32 mpg
  - ▶ Late model – low mileage
  - ▶ Vehicle models with proven reliability & good repair ratings
  - ▶ Thorough inspection and repair
  - ▶ Synthetic oil and transmission fluid
  - ▶ Maintenance training and ongoing maintenance required
- Ideal Auto dealership services
- A willingness to take managed risks

## Lessons learned

- With precious few exceptions, working families in rural America must rely on cars for *viable* transportation
- Owning a reliable, economical car can bring a host of other opportunities into reach for low-income families (a reality vastly under-appreciated in the social policy world)

## Lessons learned

- The opportunity to own a good late model car can have a profound psychological impact on a low-income person and provide a powerful, immediate incentive for positive behavioral change
- Careful selection, inspection and maintenance of a car can greatly impact the incidence of repair, the useful service life of the vehicle and its value as an asset
- Lenders love to have their collateral guaranteed



IF THIS IS SUCH A **HOT** IDEA,  
WHY ISN'T ***EVERYBODY***  
DOING IT?



# JumpStart™: Challenges

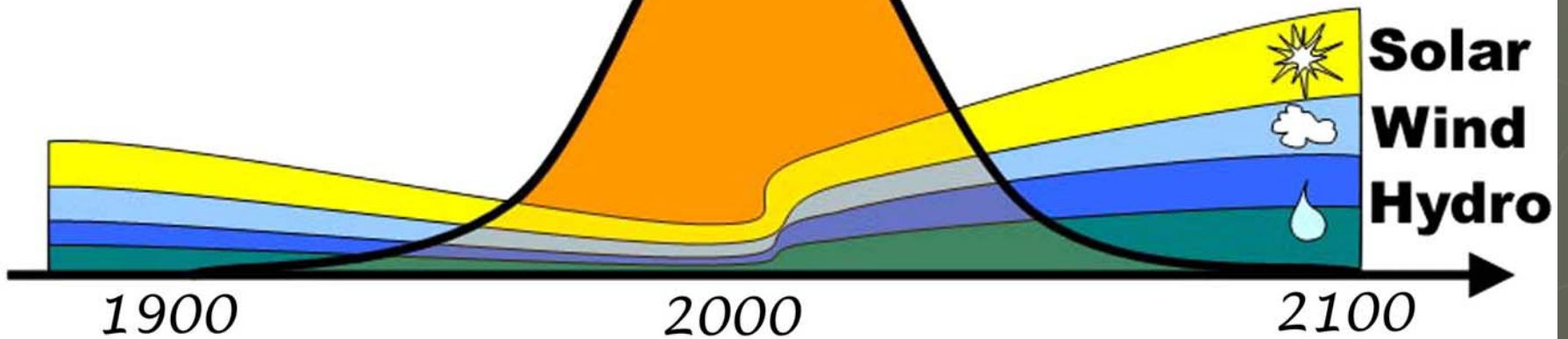
- ▶ Stubborn existing paradigm meets counter-intuitive model
- ▶ TANF excepted, almost all Federal funding of low-income transportations is for mass and group transit and specifically excludes car ownership
- ▶ Math – “The Big Story Problem”
- ▶ The Price of Gas; now Everyone wants “our” cars
- ▶ 95% of Americans favor mass transit for others
- ▶ Peak Oil

# Get ready

*We are here*



**Oil**



## for a low energy world

[www.oilcrisis.com](http://www.oilcrisis.com)

## Low-Income Car Ownership Policy Goals:

- ▶ Goal #1. Enact a Low Income Car Ownership provision in TANF as a work support
- ▶ Goal #2. Create a tax credit non-profits can sell to subsidize the capital costs of new(er) very fuel efficient, warranted cars leased to low-wage workers (ala LIHTC)

# Low-Income Car Ownership Policy Goals:

- ▶ Goal #3. Modify legislation to make car ownership an eligible use for IDAs in the Assets for Independence Act.
- ▶ Goal #4. Build support for innovations to dramatically reduce fossil fuel use for low income transportation; electric cars, smart jitneys, sustainable communities

