

Massachusetts Community Transportation Coordination Conference May 5, 2015

Promoting Mobility and Employment through Affordable Car Ownership: Vehicle Donation and Car Loan Programs

Three presenters:

- Moreno DiMarco, Management Analyst, Research, Development and Performance Management, Massachusetts Rehabilitation Commission (MRC)
- Bob Buckley, Program Manager, Good News Garage
- Terri Steingrebe, CEO, More Than Wheels

Programs that connect people with cars can be a good option for people who CAN drive but cannot afford a car, especially in rural areas. In Massachusetts, two programs are currently active.

MRC

MRC helps their consumers find employment, and consumers need to find a way to get to their jobs. MRC partners with Good News Garage to provide donated cars to eligible MRC consumers who are participating in the Vocational Rehab (VR) program. VR counselors recommend consumers who would be a good fit for the program. Consumers must have valid driver's license and a clean driving record. They must need the car to get to work. Once MRC approves a consumer to apply for a car, the consumer applies to Good News Garage. MRC has 24 area offices across Massachusetts, and this program is available to consumers in all parts of the state.

Good News Garage

Good News Garage operates throughout New England. They accept donated cars and do a 72-point safety check to make sure the car will be reliable for at least one year. They are able to use 4 out of 5 cars donated. Cars that are not usable are sold, and the money is reinvested into the program. After they are fixed up, the cars are given out to families in need. In Massachusetts, this happens through a partnership with MRC, though in other states they partner with other agencies. The average car is 10 years old with 130-140K miles and 3-5 years' life left. They match recipients with cars based on family size and commute and educate the recipients regarding maintenance.

Through the MRC program, Good News Garage provides about 54-58 vehicles per year. They keep a waiting list. Once you are approved for a car, you may have a 90-120 day wait before a car is available. The program depends on federal funding.

More Than Wheels

More Than Wheels is a 15-year-old organization that provides financial education and credit repair for individuals with bruised credit. They help clients prepare to purchase a car and access low-interest (usually 3-4%) car loans with no down payment. The program is open to anyone who can afford a car payment, so you must have at least \$1000 in monthly income. You must be willing to do the work involved to manage your finances and go through the financial education curriculum. It usually takes 4-12 months to build up the credit. The financial coaching is all done online so that people don't have to take time to travel.

They help clients choose a car that's right for them and energy efficient to keep fuel costs low. Cars come with an extended warranty. The program stays with clients through the duration of their loan and if someone is falling behind, the program gets in touch to help. Clients pay \$25 per month during the coaching and then an \$895 fee is included in their car loan package. The program saves participants \$10-15K over the course of the loan.

They have provided 2500 loans impacting 500 family members. An independent third party program evaluation found that clients are doing 40% better than the national average – they are saving and paying bills on time, and their cars are provide access to job opportunities, education, and training. Visit www.morethanwheels.org to learn more or refer your consumers.

Advice

Advice for agencies considering starting their own program:

- Think about the sustainability of your funding
- Find someone else doing it and collaborate