



Testimony to the House Economic Matters Committee
HB 355: Baltimore City Lifeline Low-Cost Automobile Insurance Program
Position: Favorable

February 09, 2023

The Honorable C.T. Wilson, Chair
House Economic Matters Committee
Room 231, House Office Building
Annapolis, MD 21401
Cc: Members, House Economic Matters Committee

Honorable Chair Wilson and Members of the Committee:

I apologize that I am not able to attend this hearing in person as I feel strongly that it is time we moved on this Bill!

Transportation has and is the number one barrier to employment for families living in poverty! In Baltimore we have large numbers of families, locked in impoverished neighborhoods not necessarily because they do not have the skills or education to gain quality employment, but because they simply cannot get there. A Brookings Institute study identified 60,000 low income households in the Baltimore region without a car and without access to public transportation to get to a quality job. That leaves them with 2 options, car ownership or Uber. Uber is not an option for a low income individual and the high cost of car insurance, in Baltimore, makes car ownership unattainable. Just imagine the impact on the economy, crime, education and HOPE if we could get just one third of these individuals access to employment!!!

Vehicles for Change has been providing cars to low income families in Baltimore since 1999. We have awarded more than 3,000 cars to worthy families. The families pay \$950 for their car and receive a 12-month, VFC guaranteed loan and a 6-month/6,000 mile warranty. The impact of car ownership is transformational for the family; recipients report an average increase in income of more than \$7,000, they are taking their children to after-school, recreational, cultural and team activities never before possible. In addition, they can bring their car back to VFC and get it repaired at our cost for as long as they own the vehicle. As an organization, we have controlled most every cost of car ownership to assure our families can afford vital transportation. It's time for the State of Maryland to do the same!!

Car insurance for our families typically exceeds \$2,400 per year and can often be even more. The pilot program that Bill HB 355 would create would reduce the burden on so many families beyond the ones

served by Vehicles for Change, reduce the number of uninsured drivers on Maryland streets, increase the number of employed in Baltimore, increase the tax base etc. Its time that our leaders stopped listening to the insurance companies and their bottom line and started listening to the organizations, like VFC, who are trying to impact the lives of families in need. This Bill, and others like it, to curb the unfair, high cost of insurance have been introduced in the House and Senate for almost as long as I have been leading VFC (24 years). It is time to act. Our new Governor won on "leave no one behind". By passing this bill you will start to make good on that statement.

Vehicles for Change strongly urges you to pass this bill and provide hope to so many families that they may finally escape generational poverty!

Sincerely,

Martin Schwartz, President