



**A proposal to advance the
Circles of Support
model as an effective
community engagement strategy
to end poverty in Minnesota by 2020**

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Legislative Commission to End Poverty by 2020
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This background paper was developed and supported by the following individuals and organizations:

Arnie Anderson and Pam Johnson (Minnesota Community Action Partnership); Jim Woehrle and Alice Miller (KOOTASCA Community Action); Gregory Warner (Western Community Action); Richard Koch, (Circles of Support Guiding Coalition - Jackson MN); Xavier Bell (Community Action Duluth); Michelle Peterson (Heartland Community Action); Bob Benes (Lakes and Pines Community Action Council)

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Executive Summary

This background paper was created to present and advance the **Circles of Support** model as an effective community engagement strategy for reducing and eliminating poverty in Minnesota, for consideration by the Legislative Commission to End Poverty by 2020. Our goal is to educate Commissioners about the model's ability to engage multiple community sectors in ending poverty, as the Commission prepares its recommendations to the full legislature. A local community leader engaged in Circles describes the initiative this way: ***"Circles of Support builds upon the strengths of a household seeking to leave poverty and leverages the good will and self interest of a local community to effectively end poverty one family at a time."***

Community Action in Minnesota

Twenty-eight Community Action Agencies form a statewide network that provides a spectrum of anti-poverty services to all eighty-seven counties in Minnesota. Often viewed as the local go-to experts for addressing community needs, Community Action Agencies are effective in identifying needs, convening resources and problem-solvers, and engaging local leaders in addressing the root causes of poverty throughout our state. With over forty years of experience as leaders in fighting poverty, Community Action Agencies build trusting relationships with people living in poverty and work cooperatively with families to help them reach greater economic stability. (Please see Appendix for more information about Community Action agencies and programs.)

The Circles of Support Model Defined

Community Action Agencies respond to locally identified needs in the communities they serve and develop services and initiatives that best fit local resources. The Circle of Support model was designed to engage local community members in efforts to increase the economic stability and vitality of struggling households. A Circle of Support is comprised of two to four volunteer community allies and one family with a goal to leave poverty. Allies are community volunteers with stable financial resources who want to befriend a family enrolled in the Circles initiative. Allies work alongside Circles family members to focus on reaching family-prioritized goals of increasing income, acquiring needed education or training, and enhancing personal social capital. A successful Circle of Support can help to generate creative solutions to family dilemmas not addressed through social service programs.

Circles of Support as a Community-Based Solution to End Poverty

Circles of Support is a community engagement strategy designed to reduce and end poverty by building individual and community assets. This successful model provides a framework for a community to build relationships across class and race lines, enabling members to work together to advocate for change in their communities. With all of our collective human service efforts to address poverty over recent decades, there has been very little change in our overall poverty rate. 2005 Census figures show that the percentage of American living in severe poverty (50% or below the Federal Poverty line) has reached a 32 year high. Minnesota's severe poverty population increased 62 percent from 2000 to 2005, the fastest in the nation. While traditional safety net+social

service programs are critical to help provide for families' most basic needs, these programs usually do not engage the broader community in developing relationships with households who have a focused goal to get out of poverty.

A unique aspect of the Circles of Support community engagement model is that two dynamic actions occur simultaneously. Low-income people receive personalized support from community volunteers, increase their ability to access community resources and opportunities, and develop hope for their futures. At the same time community volunteers learn what it takes for people to leave poverty permanently. These volunteer Allies learn to identify and address the policies and systems that need to change in order to make leaving poverty possible. A community engagement strategy to reduce poverty, like Circles of Support, is an innovative approach to ending poverty that needs the support of state government and other multiple partners.

Definitions of Poverty

There are many definitions of poverty. A common definition used by the federal government is described in the Federal Poverty Guidelines, which are issued annually in the *Federal Register* by the Department of Health and Human Services (HHS). The guidelines are a simplified poverty measure constructed primarily for administrative purposes such as determining financial eligibility for certain federal programs. The calculation uses household income to determine eligibility for programs like Head Start and Food Stamps/Food Support. For example a family of four with a household income of \$21,000 is determined to be living at 100% of the Federal Poverty Level. In practical terms, however, this income level secures only half of what it actually takes for a family to meet its basic needs.

Many foundations and human service organizations use the 200% of the Federal Poverty Guideline level as a more practical and realistic measure of a household income that will meet a family's basic needs. At 200% of the Federal Poverty Level a family of four would require a household income of \$42,000 to meet their most basic needs. In Minnesota, over one fifth (21%), of all households have incomes below this 200% benchmark and are not able to meet their basic needs.

The Circles of Support model adds another dimension to the poverty definition discussion. This initiative seeks to ensure that all community households have enough Money, Meaning, and Friendship in their lives. While Circles of Support program participants are assisted in increasing the first element of Money, both Allies and participants benefit from increased Meaning and Friendship through their involvement in the model.

Building Social Capital to Leave Poverty Permanently

People need to build social capital to leave poverty permanently. The core strategies of the Circles of Support initiative are to raise or enhance the social capital of low income people while also energizing local community members to take action. Social capital is defined as the capacity of a person or group to utilize social relationships to mobilize resources and resolve common problems. By participating in the Circles of Support initiative, participants increase their social capital as they get connected to jobs, training, social support, and needed services for their families.

The current human service system operates with a "work first" approach, with the primary goal focused on getting people to work and disconnected from government services, even as many remain in poverty.

The Circles of Support model employs a seemingly simple method of community engagement, yet we know that helping families leave poverty completely can be quite complex. Consider the daunting tasks before many households in poverty who are seeking to secure affordable housing, reliable transportation, child care, higher education, a living wage job, freedom from predatory lenders, and repaired credit all while coping with the daily demands of survival. More recently, high energy and food costs have further complicated these efforts. Circles of Support builds upon the strengths of a household seeking to leave poverty and leverages the good will and self interest of a local community to effectively end poverty one family at a time. Success is defined as: increased access to the resources needed to leave poverty, increased knowledge about the barriers keeping people poor, increased community engagement in efforts that build relationships and bridges between neighbors, and increased household social capital benefiting the entire community.

Building and using Social Capital—an example: A Circles of Support Ally introduced a Circles couple to the owner of a local personnel services company. The owner was so impressed by the couple's story and attitude that she helped the man get connected to a drywall company as a laborer, where he received on-the-job training. This new job is local, offers greater opportunity for advancement, and eliminates a current costly 45-mile drive to work.

-- Grand Rapids Circles of Support

Circles of Support History:

Minnesota's Circles of Support initiative is derived from a model developed by a program called Beyond Welfare in Ames, Iowa through a 1996 partnership of Lois Smidt and Scott Miller. Smidt and Miller worked with a group of women living in poverty to draw upon their life experiences and create an approach intended to develop relationships across class and race lines. The goals were two-fold: alleviate the isolation of poverty; while offering support and education to one other about what it takes to leave poverty. The designers were inspired by a model used in Canada's disability movement to assist people in reaching their independent living goals.

Minnesota was introduced to the Circles concept in 2002 through the Minnesota Community Action Partnership (MinnCAP). MinnCAP is a member-based association of all 28 Community Action Agencies throughout Minnesota (see www.minncap.org) which provides training, technical assistance, and advocacy with state and federal policymakers. Workshops at MinnCAP's annual conference introduced statewide members to the Circles concept and provided support for pilot initiatives. Four Community Action Agencies launched Circles in 2004 in the communities of Jackson (Western Community Action), Willmar (Heartland Community Action), Duluth (Community Action Duluth) International Falls and Grand Rapids (KOOTASCA Community Action). Two other agencies joined more recently in Mora (Lakes and Pines Community Action Council) and Hibbing (Arrowhead Economic Opportunity Agency)

Circles of Support Community Outcomes--an example:

The first two years of KOOTASCA's Itasca County Circles project documented the following outcomes: 25 Circle leaders, as a group, increased their average earned income by 227% from a baseline at intake. Over is time period community donations in the Grand Rapids area included: \$15,000 in cash, 15 donated vehicles, automotive parts and service, other services, food and donated dentistry services, and 4,000 volunteer hours with an in-kind value of \$73,000 (value of a volunteer hour by *Independent Sector* is \$18.25 per hour for MN). The total community contribution for the two-year period was \$163,000.

--Itasca County Circles of Support

How a "Circle" Works

Community Action Agencies match families with a goal to leave poverty, with volunteers who want to become an ally and a friend to these families. Trained Community Action staff provide on-going support to these Circle matches until the families goals are reached. Circles can take on as much, or as little, autonomy as its members desire and can receive the ongoing guidance and resources of the Community Action Agency.

When primary household wage earners spend the majority of their time maintaining employment, food, housing, and transportation there is little time left to devote to the important tasks of parenting, maintaining good health, achieving educational advancement and planning for the future. In comparison, households that have met their basic needs are better able to focus some time on recreation, career advancement, and future planning. Circles of Support bring these two groups together to increase the social capital of all. These efforts bring more resources and opportunities to families who are on a path to increased economic stability and community participation. Circles friendships provide a safe and secure support system that promotes increased self-confidence and more active participation in leadership opportunities.

Allies learn from their Circle relationships about the significant and multiple barriers preventing even the most motivated, low wage workers from making ends meet and getting ahead. Old stereotypes attributing poverty to individual choices alone are often replaced with a broader perspective that includes economic, social and structural system conditions. As described in a 2007 Center for Public Finance Research (Minnesota Tax Payers Association research arm) report, *"Disincentives to Earn: An Analysis of Effective Tax Rates on Low Income Minnesota Households,"* many low income households face a cliff effect as they work to increase their income. The paper describes how, as low-wage earners increase their wages, they experience a combination of rising income taxes and reduced eligibility for means-tested programs (i.e. health insurance, food support, and child care assistance), with the net effect of reduced household income. With this equation, there is reduced incentive to earn more and fall farther off the cliff.

"I am very Thankful for Circles of Support. Without it I would have never gained this second family. I have received so much support and friendship, Its great!"

Circles of Support participant, Yvonne Van Anda

--Hibbing Circles of Support

Peter McDermott, President—Itasca Economic Development Corporation:

“I have met and gotten to know low-income participants from Circles of Support. Through that experience I have a better understanding of some of the challenges facing people working to get out of poverty. For example, I know people need jobs that can support their family and often times transportation to get to work. At IEDC I feel we can do a better job of achieving our mission of “helping create quality jobs” by keeping the lines of communication open to community members struggling to get out of poverty.”

--Grand Rapids Circles of Support

Elements of the Circles Model: The Guiding Coalition, The Weekly Community Leadership Meeting, and The Big View Meeting

The Guiding Coalition

The key to a successful Circles of Support initiative is a strong community Guiding Coalition. The Circles of Support Guiding Coalition leads the Circles project with the goal of increasing community ownership of the Circles initiative over time. This Guiding Coalition is comprised of community volunteers, Allies, and low-income participants who make decisions related to program operations such as Ally recruitment, fund raising and community education. A Circles Coordinator from the Community Action Agency provides support while a Circles initiative member chairs the Coalition. The sponsoring Community Action Agency assists the Guiding Coalition in a transition to greater ownership of the Circles project. The Circles Coordinator organizes the community and supports the Circles Guiding Coalition in developing the resources needed to keep the Circles initiative healthy and growing.

The Community Leadership Meeting

Community Action Agency staff facilitate Community Leadership Meetings with the goals to foster local empowerment and to provide hope for ending poverty for all participants. These weekly meetings are open to all Allies and family members enrolled in the Circles initiative, and are often co-hosted with a local place of worship or community group at a low or no cost. Faith community members and local service and community groups are offered multiple avenues to participate in or support the Circles Initiative. A Community Action Circles Coordinator guides group discussion using a structured format, and also ensures that meals and child care are provided.

Weekly Community Leadership meetings are open to all Allies and Circles families with the goal to build social capital and provide hope for all participants. The Community Action Agency works with a local place of worship or community group to provide a low or now cost meeting space and engages members in support of the Circles Initiative. A Circles Coordinator ensures that meals and child care are provided and a structured format is used to guide group discussion. A cognitive restructuring exercise, called New & Good, is used to encourage participants to share something positive in their lives with the group. The goal of this weekly practice is to build on the power of the individual and

collective positive over other challenges that occur in all of our lives. The meeting discussion topic then focuses on one of three Circles goal areas: income, academics/training, and socialization. The intent is to build hope through sharing thoughts and ideas. Meetings close with an exercise that brings verbal appreciation to each group member from the person sitting next to them. The effect of this interaction is a group-building experience that builds reciprocity and keeps hope alive.

The Big View Meeting:

Monthly Big View Meetings engage Circle of Support participants, allies and other interested community members in addressing issues that present barriers and roadblocks to families working their way out of poverty. These meetings are educational and can be about policy change or about getting people in poverty connected to opportunities for education and better jobs. All members are encouraged to bring their ideas to the meetings, for group discussion and problem-solving. Low income people have a leadership role in these meetings. They are the experts about what families need to get out of poverty

A Circles of Support Story: *In 1995, Renee Nash was on a positive life track with a promising future, soon to complete a Legal Assistant degree when a serious car accident changed her plans. Renee' came to Circles in August of 2004 in Grand Rapids. Now a single mom with two children, living paycheck to paycheck, deep in debt and losing hope. Self-esteem was an issue for Renee' and living in survival mode made it difficult to see very far into the future and believe life could be something different.*

Through the support and encouragement of her Allies and the Circles community, Renee' has increased her income by as much as 76%. She has developed positive relationships with financial institution, paid off more than \$12,000 in past debts, and opened an IRA account. Last spring Renee graduated from Itasca Community College with her AA degree, an AAS in Psychology, and an AAS in Legal Assistance. Renee is continuing her education towards completing a degree in Forensic Psychology and said, "I believe if someone has emotional, spiritual, social supports, they can do anything."
--Grand Rapids

Richard Koch, Jackson MN—AGCO Corporation: *"I believe that the Circles of Support we have created in Jackson will eliminate poverty for those that are willing to work and participate. Circles helps replace the traditional support system that many residents had when they grew up. The participant has allies that become friends and willing partners and all hold each other accountable in helping move the participant out of poverty."*

Richard Koch leads the Jackson MN Circles of Support's Guiding Coalition

Supporting Roles for State Government and Community Action in Minnesota

Role for State Government:

- Provide funding support for local communities to develop and implement community engagement activities to end poverty. This support could be in the form of matching grants.
- Remove restrictions for TANF funds to enable their use in community engagement efforts (such as Circles of Support) to assist families with incomes up to 200% of the federal poverty guidelines.
- Validate Circles of Support as an effective approach for building social capital in communities and support efforts that invite additional funders.
- Encourage human service systems to fund, promote and partner with low-income people and their Allies, to build social capital and community assets through Circles of Support.

Role for Community Action in Minnesota:

- Deliver community engagement and social capital-building programs with the mission to end poverty, as Minnesota's Community Action network serves all 87 counties and is well positioned to convene local planning and implementation efforts.
- Offer technical assistance to communities interested in initiating a community engagement initiative like Circles of Support
- Promote Circles of Support to a greater degree within the statewide network to increase the availability of local Circles resources. (Note: A 53% cut to state Community Action Grants in 2003 limited the capacity of many Community Action agencies to initiate or sustain the Circles of Support model)
- Support the development of local Guiding Coalitions, comprised of community leaders and Allies, as the link between the community and Circles Initiative. Strong Guiding Coalitions will increase strong community support for local Circles Projects.

APPENDIX

What is a Community Action Agency?

Community Action Agencies are private nonprofit or public organizations that were created by the federal government in 1964 as a part of President Johnson's historic War on Poverty.

Purpose and Mission of Community Action

In order to reduce poverty in its community, Community Action Agencies work to better focus available local, state, private and federal resources to assist low-income individuals and families to acquire useful skills and knowledge, gain access to new opportunities and achieve economic self-sufficiency. Community Action helps build leadership in low-income people so they can organize and advocate for change that is relevant to their lives.

Why are Community Action Agencies Unique?

Most poverty-related organizations focus on a specific area of need, such as job training, health care, housing, or economic development. Community Action Agencies reach out to low-income people in their communities, address their multiple needs through a comprehensive approach, develop partnerships with other community organizations, involve low-income citizens in the agency's operations, and administer a full range of coordinated programs designed to have a measurable impact on poverty.

Community Action in Minnesota

Many know the names of the services delivered by Community Action Agencies, and not agency name. Local Community Action Agencies provide a unique combination of programs designed to meet locally determined objectives. Services include:

- Energy Assistance, Weatherization & Energy Conservation
- Head Start, Child Development Programs & Referrals
- Circles of Support
- Congregate Dining and Meals on Wheels
- Jobs for Youth, Adults & Seniors
- Senior Independent Living Services (SAIL)
- Retired Senior Volunteer Program (RSVP)
- Food Shelves and Family Nutrition Programs
- Housing Construction, Rehabilitation & Assistance
- Family Crisis Services
- Case Management
- Financial Asset Development & IDA (Family Assets for Independence in MN)
- Financial Literacy Education
- Tax Credit Outreach & Education
- Emergency Shelter & Transitional Housing
- Economic Development & Business Start-Up
- Advocacy, Education & Outreach
- Transit & Transportation alternatives

Local Community Action Agencies are constantly changing to provide fast, flexible, local solutions for the increasingly diverse mix of Minnesotans experiencing poverty.

It cannot be overstated that local citizens govern local Community Action Agencies. Community action governance embraces the principle of "maximum feasible participation" by people experiencing poverty.

The boards of directors of Community Action Agencies have a unique mandate to include:

- 1/3 people experiencing poverty
- 1/3 public officials
- 1/3 at-large local citizens

Local partnerships are central to Community Action. They maintain nearly 1,300 formal collaborative relationships in areas such as:

- Child Care
- Child Support
- Continuum of Care
- Early Education Programs (non-child care)
- Emergency Food Programs
- Energy Assistance/Weatherization
- Faith-Based Organizations
- Family Service Collaboratives
- Head Start
- Human Service Agencies
- Transitional Housing Programs
- Public Health
- Work Force Centers
-

Community Action leverages funding for more community impact

In 2006, \$6.8 million in federal Community Services Block Grant (CSBG) funding and \$4.0 million in Minnesota Community Action Grant funding leveraged:

- More than \$253 million in other program funding.
- Nearly 39,000 volunteers who provided 1.9 million hours of service. If valued at only the federal minimum wage (\$5.15), volunteers' time was worth more than \$9.7 million.

Community Action Agencies in Minnesota

