

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

**Presented to Minnesota's  
Legislative Commission to End Poverty by 2020  
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**This background paper was developed and supported by the following individuals and organizations:**

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## **Executive Summary**

This background paper was created to educate and advance **Circles of Support** as an effective community engagement strategy the Legislative Commission to End Poverty should support to reduce and eliminate poverty in Minnesota as they form their recommendations.

**Community Action in Minnesota:** Community Action agencies serve all Minnesota counties and are seen as the local “go to” experts because they have relationships with people in poverty and know what works best to help families out of poverty.

### **Circles of Support engages the community to end poverty**

The Circles model is a community engagement strategy to reduce and end poverty by building individual and community assets. The Circles of Support model provides a framework for a community to build relationships across class and race lines so that people can work together to advocate for change in their communities. With all our collective human service efforts to address poverty over the years, 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.

### **The Circles of Support Model**

A Circle of Support is comprised of two to four allies and one family with a goal to leave poverty. Allies are typically volunteers with stable financial resources who want to befriend a family enrolled in Circles. Allies focus specifically on goals set by the family in the categories of income, academics / training, and increasing social capital. A Circle of Support can generate creative solutions to family dilemmas not addressed through social service programs.

**Weekly Community Leadership meetings** are open to all Allies and Circles families with the goal to foster empowerment 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.

**Two dynamic action steps occur simultaneously** through Circles of Support. Low-income people receive support from community volunteers, increase their ability access community resources and opportunities, and develop hope for the future. At the same time community volunteers who are economically stable, learn what it takes for people to leave poverty. 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.

## **Supporting Roles for 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 for community engagement efforts, such as Circles of Support, to assist families with incomes up to 200% of the federal poverty guideline

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. (A 53% cut to state Community Action Grants in 2003 limited the capacity of Community Action agencies to initiate Circles of Support

Support the development of local Guiding Coalitions as the link between the community and Circles Project. Strong Guiding Coalitions will increase strong community support for local Circles Projects.

## **Definition of Poverty:**

There are many definitions of poverty. A common definition used by the federal government is the Federal Poverty Guideline. This 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 at 100% of the Federal Poverty Guideline. In practical terms, however, this income level secures only half of what it takes for a family to meet its basic needs. Many foundations and human service organizations use 200% of the federal poverty guideline as a more realistic measure of a household income that will meet a family's basic needs. At 200% of the Federal Poverty Guideline this family of four would need a household income of \$42,000 to meet those basic needs. In Minnesota 21% of all households have incomes below this 200% benchmark and should be considered not meeting their basic needs.

## **To leave poverty permanently families need to build more social capital**

People need to build social capital to get out of poverty. The core strategy of the Circles initiative is to raise or enhance the social capital of low income people while energizing their local community to take action. Social capital is defined as the capacity of a person or group to utilize social relationships to mobilize resources and solve common problems. The social capital of Circle participants (people in poverty) gets them connected to jobs, training, social support, and needed services from the community.

The current human service system uses a “work first” approach, with the goal focused on getting people to work and off the system even though they remain in poverty.

The Circles of Support model uses a simple idea, but helping someone leave poverty completely and completely is very complex. Consider the daunting tasks before many households seeking to obtain 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. Circles of Support builds upon the strengths of a household seeking to leave poverty, matched with the good will and self interest of a local community, to end poverty one family at a time. Success is defined by increased access to the resources needed to leave poverty, increased knowledge about the barriers keeping people poor, increased community engagement, and increased 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 received training on the job. The new job is local, offers him more opportunity and eliminates a 45 mile drive to another community to work.

.-- Grand Rapids

## **Circles of Support as a Community-Based solution to End Poverty**

The Circles model is a community engagement strategy to reduce and end poverty by building individual and community assets. The Circles of Support model provides a framework for a community to build relationships across class and race lines so that people can work together to advocate for change in their communities. With all our collective human service efforts to address poverty over the years, 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. Although safety net programs are necessary to help provide for people's basic needs these services usually do not involve the community in a relationship with a family and a goal to get out of poverty.

Two dynamic action steps occur simultaneously through Circles of Support. Low-income people receive support from community volunteers, increase their ability access community resources and opportunities, and develop hope for the future. At the same time community volunteers who are economically stable, learn what it takes for people to leave poverty. 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.

### **Circles of Support History:**

The Circles of Support model used in Minnesota is derived from a Circles of Support model developed by Beyond Welfare in Ames, Iowa through a partnership of Lois Smidt and Scott Miller in 1996. A group of women living in poverty designed the initiative. Drawing upon their own life experiences, the women developed 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 also drew from a model used in Canada's disability movement to assist people in their independent living goals.

Minnesota was first introduced to the Circles concept in 2002 through the Minnesota Community Action Partnership (MinnCAP). MinnCAP is a member-based Association of 28 Community Action Agencies throughout Minnesota (see [www.minncap.org](http://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 – AEOA).

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**Circles of Support Community Outcomes:**

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.

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When primary household wage earners spend the majority of their time maintaining employment, food, housing, and transportation, there is little time left to focus on parenting, health, educational advancement and future planning. Households that have met their basic needs are often able to focus their time on recreation, career advancement, and planning for the future. Circles of Support bring these two groups together and increase the social capital of low income people. Increasing social capital brings 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.

Circle allies learn in these new relationships about the multiple and significant barriers that face even the most motivated, low wage workers trying to make ends meet and get ahead. Through Circles of Support, allies are often able to replace old stereotypes, that attribute poverty to individual behavior alone, with a broader perspective that includes economic, social and structural system conditions. As described in a 2007 report from the Center for Public Finance Research (research arm of the Minnesota's Tax Payers Association), "*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. That is, as earners increase their wages through better jobs they experience a combination of rising income taxes and reduced eligibility for means-tested programs (i.e. medical insurance, food assistance, and child care assistance) that

***Richard Koch, Jackson MN—AGCO Corporation:*** "I believe that the Circles of Support that 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 the participant out of poverty."  
***Richard Koch leads the Jackson MN Circles of Support's Guiding Coalition***

have the net effect of reduced income to the household. With this equation, there is reduced incentive to earn more and fall farther “off the cliff.”

**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 institutions and has paid off more than \$12,000 in past debts, and opened an IRA. Last spring Renee' graduated from ICC with her AA degree, AAS in Psychology, and 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

### **Circles 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 project 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.

### **Weekly Community Leadership Meetings:**

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

*"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*

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.

### **Big View Meetings:**

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.

**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*

### **Roles for 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 for community engagement efforts, such as Circles of Support, to assist families with incomes up to 200% of the federal poverty guideline

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. (A 53% cut to state Community Action Grants in 2003 limited the capacity of Community Action agencies to initiate Circles of Support

Support the development of local Guiding Coalitions as the link between the community and Circles Project. 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 to combat poverty. Community Action agencies serve all Minnesota counties and are seen as the local “go to” experts because they have relationships with people in poverty and know what works best to help families out of poverty.

### **Purpose and Mission of Community Action**

In order to reduce poverty in its community, a Community Action Agency works 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 clients 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 people are more familiar with the names of the programs Community Action Agencies deliver than the name of their local Community Action Agency. Each local Community Action Agency provides a unique combination of programming to meet locally determined objectives. Well known programs 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 various Family Nutrition Programs
- Housing Construction, Rehabilitation & Assistance
- Family Crisis Services
- Case Management
- Financial Asset Development & IDA's (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

WorkForce 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

