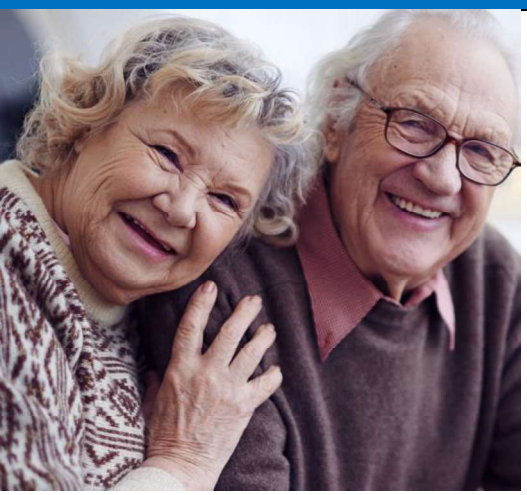
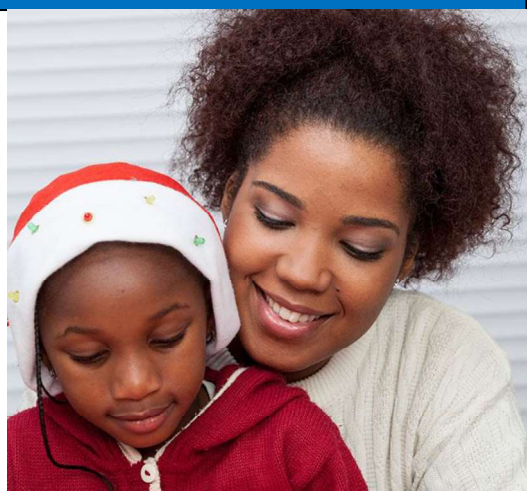
Circles USA Impact Report

Results and Progress Report March 2017





CIRCLES® USA
Building Community to End Poverty

Circles USA Impact Report

Results and Progress Report March 2017
This report measures our success in key Strategic areas related to achieving a major Reduction in poverty. The data is collected from chapters across North America and is Compiled by Circles USA.

Circles USA exists to identify and eliminate the causes of poverty and support those wishing to lift themselves out of poverty. We use a relational strategy to support people out of poverty while inspiring and equipping communities to reduce their poverty rates by at least 10% in 10 years.

There are four variables that influence the results of Circles, including:

1. **The level of employability of Circle Leaders**
   CUSA tracks whether people are in situational poverty or have been raised in poverty. We also note whether they are entering an educational or career track. The level of work experience usually determines the level of soft skills people possess prior to Circles that assists them in earning more income.

2. **Availability of Jobs**
   The availability of good-paying jobs in a community dictates how easy it is for people to find economically secure jobs. The trends of automation, globalization, and artificial intelligence are rapidly changing the economy. People must have higher-level skills to be qualified for jobs that provide enough income to reach at least 200% of the Federal Poverty Guidelines and become economically stable. Circles provides long-term support so that people can achieve the education and training necessary to secure good jobs.

3. **The impact of the Cliff Effect**
   The most challenging Cliff Effects are in childcare and healthcare insurance. For many, there is a real hardship from shifting from stable benefits to unstable earned income. This is especially true if that income does not cover all the expenses the benefits covered. People raised with food stamps, housing assistance vouchers, and/or TANF subsidies often find it psychologically difficult to exchange secured benefits for new earned income opportunities. If they cannot predict changes, it becomes a potential crisis to accept more earned income. Therefore, Circles USA created its own online **Cliff Effect Planning Tool**.

4. **Social Capital**
   Circles boosts the social capital of each participant to have more peer relationships as well as "Allies" who provide new networks of connections. Circles is co-designed with a variety of education, employment, and human services programs to provide volunteer-driven community supports that produce better results..

Data regarding specific chapters or communities is available upon request.

What is Circles?

The cornerstone of our process is to inspire and equip families out of poverty. This is accomplished by providing ongoing, peer-to-peer, weekly support meetings and creating individual Circles that match families moving out of poverty with the support of middle and upper income volunteers

"I set the goals, but they were there to support me," Wilson says of her Circles allies. "They kept telling me, 'You can do this.' It changed the way I thought about my future." Heidi Wilson, Circle Leader, excerpt from Personal Attention Reduce Poverty, Stanford Social Innovation Review

To achieve significant reductions in poverty, we have learned that in addition to working with families we must also inspire and equip communities. The foundation of our community-wide program is a feature called the Big View. Every month, Circles Chapters across North America invite business, government, education, faith, civic, and/or philanthropic leaders in the community to hear directly from people working their way out of poverty. Circle Leaders speak about the barriers they face and ask community members to join us in removing or mitigating those barriers.

The Big View process has resulted in more childcare assistance, donated cars for those ready to work, caps on predatory lenders, more affordable housing, and better policies by schools and police in how they address poverty-related problems.

How we started. Why we continue.

Oftentimes, success in nearly any endeavor is influenced by the people and resources that surround us—our circle of friends, our sphere of influence, the cyclical nature of habits, and even the sweeping hands of a clock. When we encircle ourselves with positive support through mentorships, education and training, and the right resources anything is possible. That's what the circles represent. Each circle is a continual source of influence, each linking to the other and creating the greatest impact.

Circles® USA is the result of more than 20 years of research and the development of leadership tools for communities by Move the Mountain Leadership Center. The Circles model was developed after the organization discovered that social service agencies could reach only a small portion of the population living in poverty with real long-term solutions.

Since that time, Circles has worked to address poverty by increasing the capacity of communities. Our approach combines best practices in several disciplines including community organizing, case management, grassroots leadership, S.M.A.R.T. goal setting, financial literacy, mentoring, peer-to-peer counseling and learning, and child/youth development.

Our mission has always been to inspire and equip families and communities to thrive and resolve poverty. We believe strongly that responsibility for both poverty and prosperity rests not only in the hands of individuals, but also with societies, institutions, and communities. It's the underlying foundation of the Circles model – engage people and organizations in the community to end poverty.

Today, 70 plus communities in 21 states and parts of Canada have joined the Circles network. We're inspired by the work that occurs at each location and by the passion and commitment of both our volunteers and participants. Their stories of success demonstrate what we've believed all along – when communities come together and the right techniques are utilized, great change can occur.

Our work has drawn national attention by inspiring families and communities to commit to long-term solutions for addressing poverty. The Circles model has been implemented by many well-known organizations such as United Way, Goodwill, United Methodist Church, Lutheran Social Services, Community Action Partnerships, and Catholic Charities. It's also been adapted by community colleges, housing corporations, workforce development centers, human service systems, community neighborhood centers, and hospitals. And we're proud that our work is supported financially by more than 300 foundations, major donors, corporations, and United Way chapters. It's a testament to the need and to the results we continue to see.

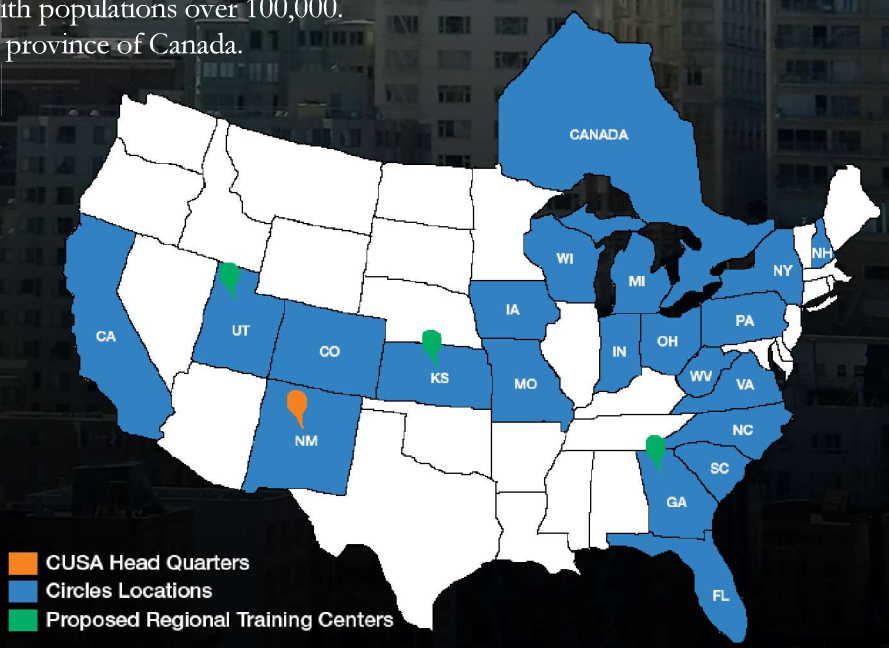
STRATEGY ONE

Bring Circles to 10% of all Counties and Major Cities

To make our contribution to a national tipping point that can eventually eradicate poverty in the US and Canada, we have set a goal of bringing Circles to 300 US counties and 30 major cities. There are currently 75 locations in 21 states serving people in 57 counties, and in 25 cities with populations over 100,000.
We also have 5 locations in the Ontario province of Canada.

We welcomed new communities into the CUSA network:

- Columbia, SC
- Fremont, MI
- Olathe, KS
- Green Bay, WI
- Ogden, UT
- Price, UT
- St Petersburg, FL
- Uniontown, PA
- Ypsilanti, MI



Strategy Two

Gain Commitment from Communities to Reduce Poverty by 10%

"Our feasibility study group spoke to Circles USA personnel, leaders of circles affiliates throughout. The country, and representatives of other self-sufficiency and community building programs. The decision to choose the circles model came down to this: Circles is an established program with a proven track record of success and provides both a program framework and model, and flexibility for customizing the program to our community."
- ***Sarah Thornburg**, Executive Director, friends in deed Ypsilanti, MI*

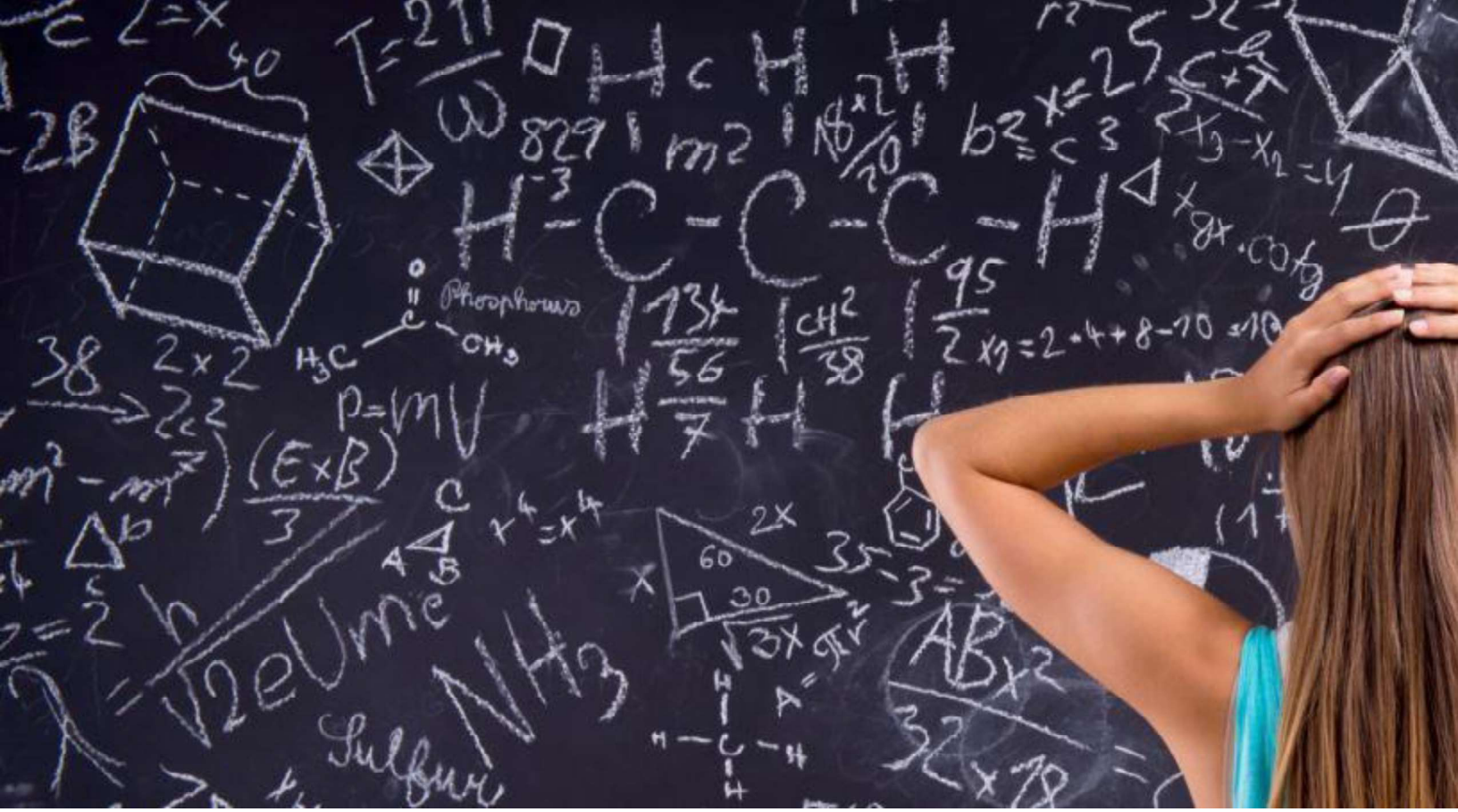
Sarah is one of 22 Circles USA members of the Circles Design Team that is working together across the country to scale Circles so that we can contribute to reducing poverty rates by 10%. We are developing new models that create efficiencies at the Chapter level so that new locations can be set up more easily. This is being done with more detailed planning on the front end to build stronger collaborations that support the expansion of Circles.

Educational Testing Services, ETS, the world's largest private nonprofit testing and assessment organization, is working with CUSA to develop an evidence-based research program funding proposal to test several assumptions about scaling Circles.

- Arrive Utah has been established to spread Circles and related services across Utah with funding from a large foundation and state funds from Workforce Development targeting two-generational families on public assistance.

- Pittsburgh, PA now has 5 groups under one Chapter with plans to bring Circles to more locations by 2018.

"When the number of committed opinion holders is below 10 percent, there is no visible progress in the spread of ideas. It would literally take the amount of time comparable to the age of the universe for This size group to reach the majority. Once that number grows above 10 percent, the idea spreads like flame."
- ***Boleslaw Szymanski**, distinguished professor at Rensselaer*



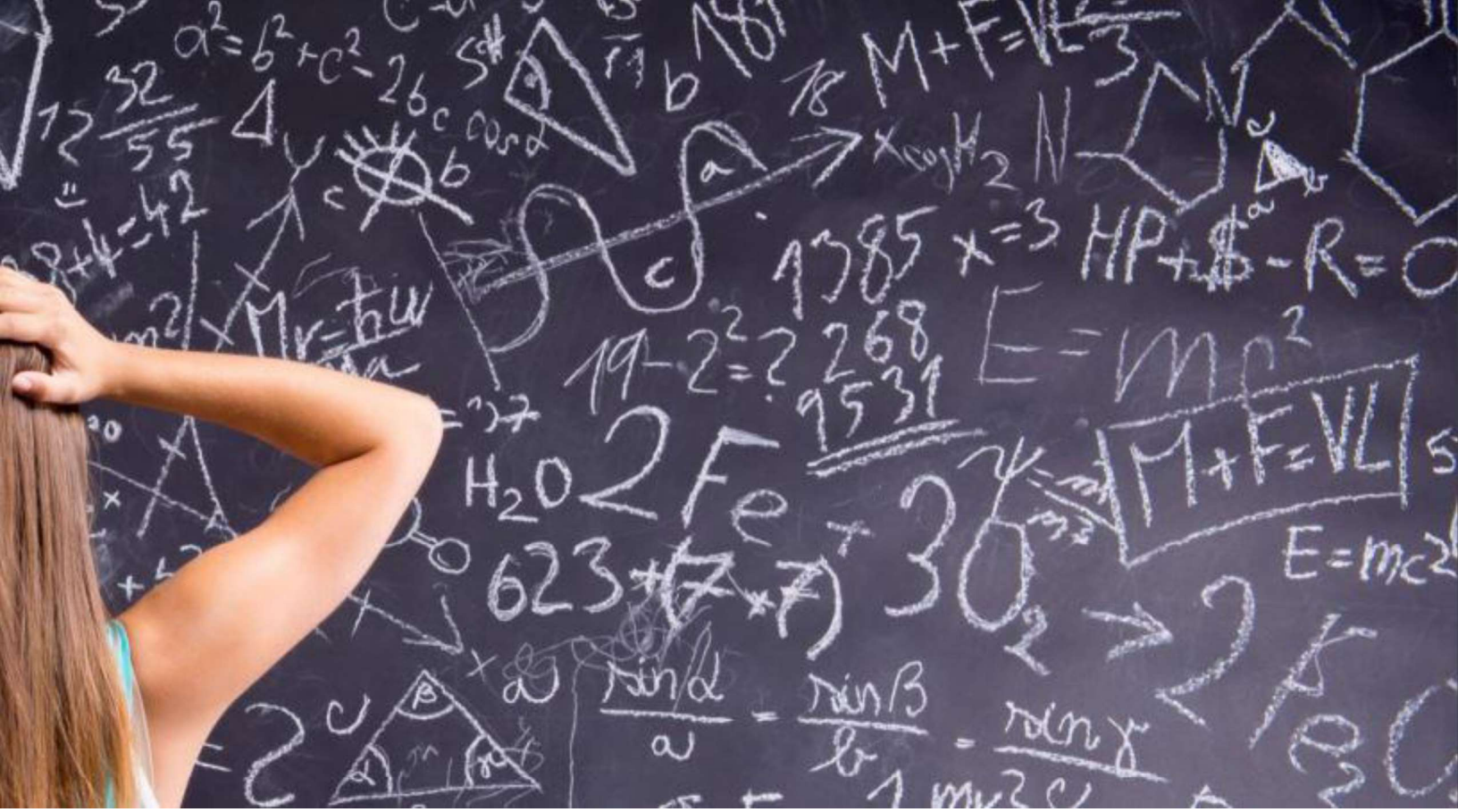
Strategy Three

Contribute to the Mitigation of the Cliff Effect

> "One stated goal of the welfare reforms of 1996 was to encourage people to enter the workforce. Once there, new work support programs would enable low-income families to rise toward self-sufficiency. But in many instances, those programs have an unintended impact, an I-news at Rocky Mountain PBS inquiry has found. Working families can fall prey to the "Cliff Effect," in which even a modest rise in family income can lead to termination of a government benefit, including subsidized child-care, worth thousands of dollars a year."

Through the generous time and talent donated by David Priemer from Connellsville, PA, and Vince Gonzales from Albuquerque, NM, we now have an on-line version of the **Cliff Effect Planning Tool**. This tool can estimate reductions in Medicaid, childcare, housing, food stamps, and cash assistance as someone earns more income. The planner provides people with a forecast of estimated benefit loss so they can work within their Circles to find alternatives. Until Cliff Effects are eliminated with pro-rated benefit schedules, it may be better, for example, to wait until children no longer need childcare before accepting new jobs, more hours, or raises.

Most importantly, the planner is a powerful tool to educate government and business leaders about the Cliff Effects that can lead to change in policies and programs for a more robust workforce.



New Mexico First worked with Circles USA to prepare a "memorial bill" to research the Cliff Effect and bring recommendations back to the legislature in next year's session. The bill was passed unanimously by both sides of the aisle and houses of legislature as elected officials were made aware of the enormous negative effect of Cliff Effect policy. Scott Miller joined New Mexico First staff in testifying at committee meetings and preparing materials with CUSA Board member, Vince Gonzales.

Vince has built a volunteer team of coders to support refining the tool to serve other states. We are opening the back office for collective wisdom from other organizations and individuals who want to improve the tool. There are currently planning tools for 9 states:

- Utah
- Colorado
- New Mexico
- Kansas
- Missouri
- Michigan
- Ohio
- Pennsylvania
- Georgia

STRATEGY FOUR

Support families to earn 200% of the federal poverty guidelines

"*At Circles they don't categorize* you by your financial state, but as the person you are...They are always giving a helping hand. They give you tough love and the push you need."

Excerpt from Nonprofit Spotlight, Philanthropy Magazine, Winter 2017

Circle Leaders are individuals who initially earn less than 150% of the Federal Poverty Level when they enroll in Circles. They have made a commitment to build social capital with middle and upper-income Allies, attend community meetings, and work toward greater economic stability for their family and community.

Circles USA provides Chapters with an online data system to track progress of Circle Leaders as they move toward economic stability. Baseline data is collected at enrollment, and progress results are collected at graduation from the Circle Leader Class, and every six months thereafter.

Circles USA rolled out its data system last year. We hired a full-time system analyst to provide training and technical assistance to our Chapters on how to properly use the new data system. We also review entered data to ensure it is accurate and complete before publishing reports.

We now have data on 4,567 adults and children from 1,551 Circle Leaders' households. Our data system analyst has reviewed the data to verify accuracy and eliminate errors that may have caused initial outlier input. We have provided coaching and webinars to Chapters to complete their data input and produce local reports.

> "The impact and success of the Circles program since 2000 has been researched numerous times over the Past ten years by professors and students at Iowa State University, the Wilder Institute, University of Oregon, University of New Mexico and University of Michigan. These studies have confirmed that Circles is a comprehensive, long-term, holistic approach that uses components that are essential for supporting low-income women and men in becoming economically stable."
>
> -**Mary Jane Collier**, Ph.D. University of New Mexico

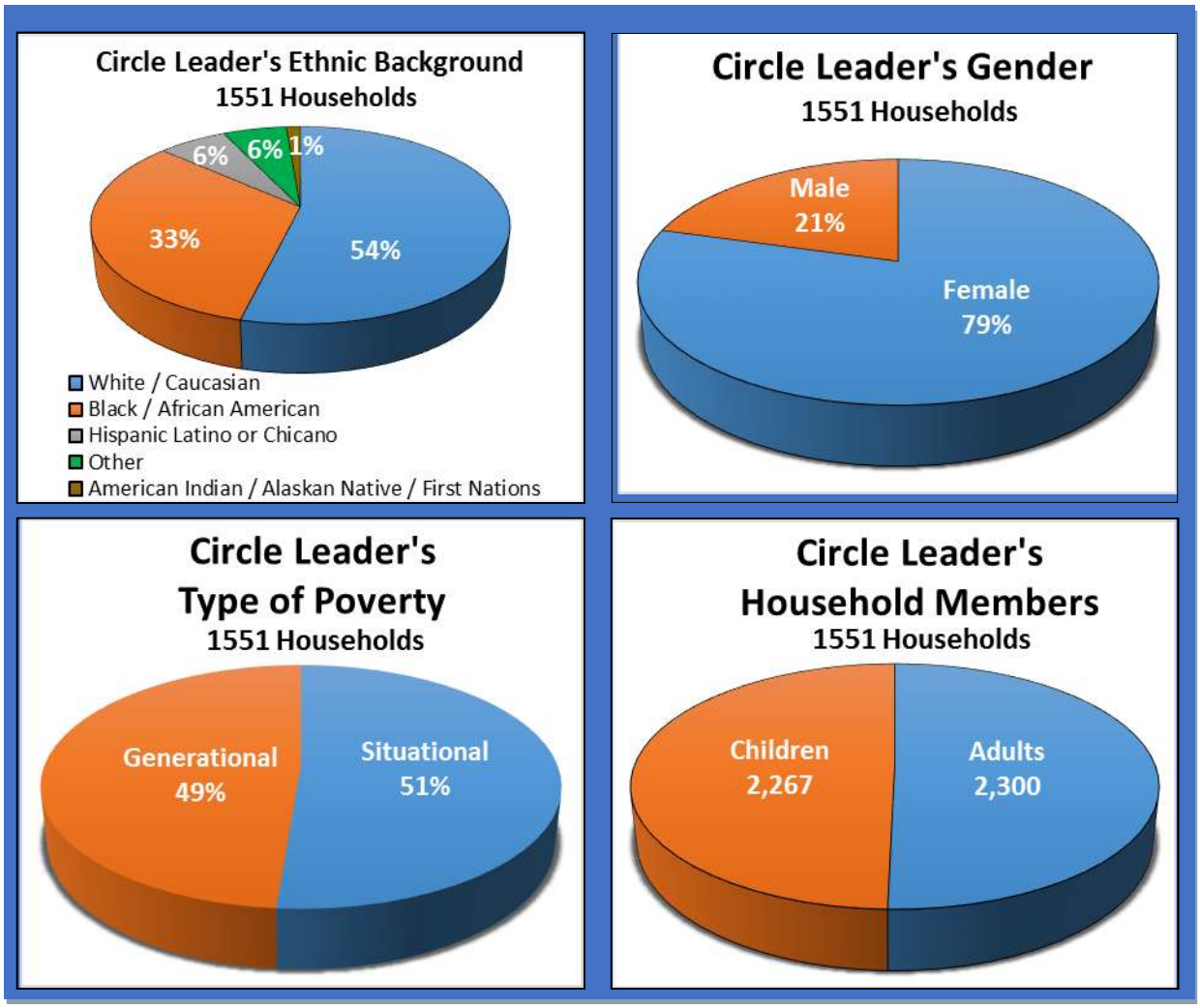
National Reports

Results and Progress March 2017

Please note when reviewing graphs that the change in number of households from six to 12 and 18 months reflects the fact that Circles groups start at different times. Although there is some attrition, the decrease in numbers reflects that each group is at a different stage in Circles.

Demographics

The composition of households enrolled in Circles and entered into the data system is as follows:



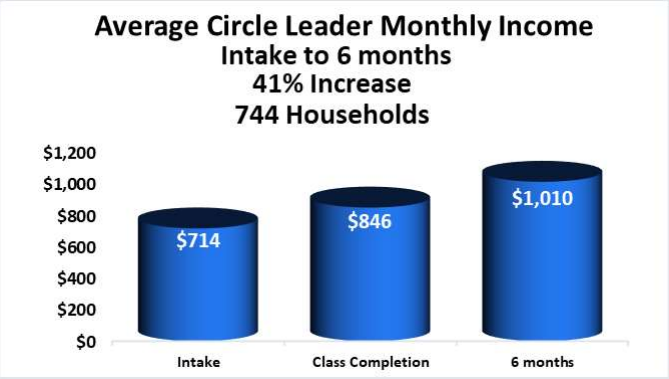
Women are four times more likely to enroll in Circles. An analysis of earned income gains between situational and generational poverty showed small differences in results for the first six months - 45% increase for situational poverty and 37% for generational poverty. There was a large difference after one year in Circles - 75% for situational and 42% for generational - and less of a difference by 18 months - 93% situational and 81% generational. Clearly, if people work the program, they can increase their earned income, regardless of being in situational or generational poverty.

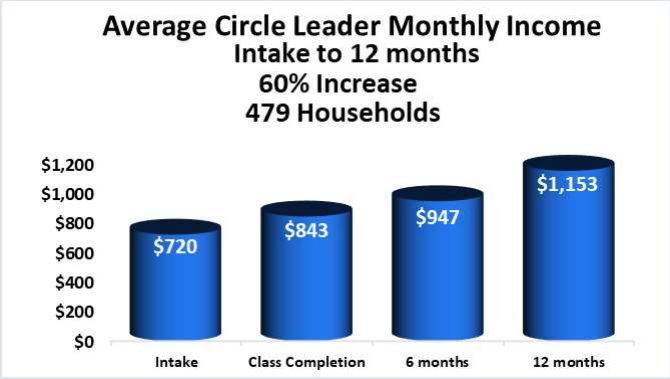
Earned Income

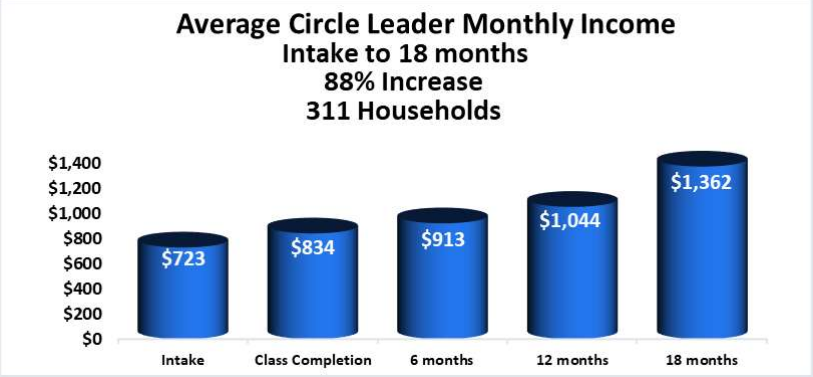
The primary indicator of progress in Circles is an increase in earned income. Circle Leaders earned 41% more income after six months, 60% more after one year, and 88% more in 18 months

- 1551 heads of households who have enrolled in Circles has now been gathered in our data system.
- 744 heads of households who have been enrolled in Circles for at least six months have increased their income by 41%.
- 479 heads of households who have been enrolled in Circles for at least 12 months have increased their income by 60%.
- 311 heads of households have been enrolled in Circles for at least 18 months have increased their income by 88%.

Earned Income Continued

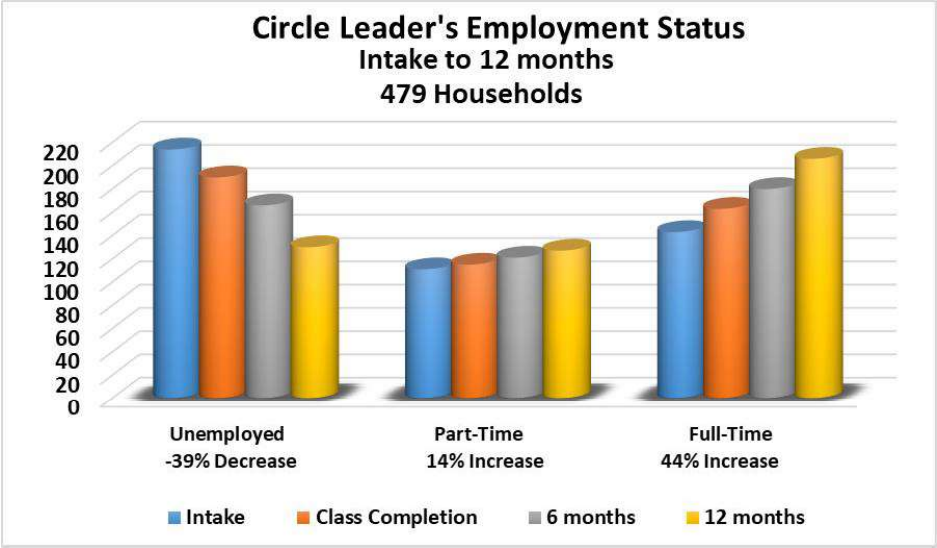






Employment Status

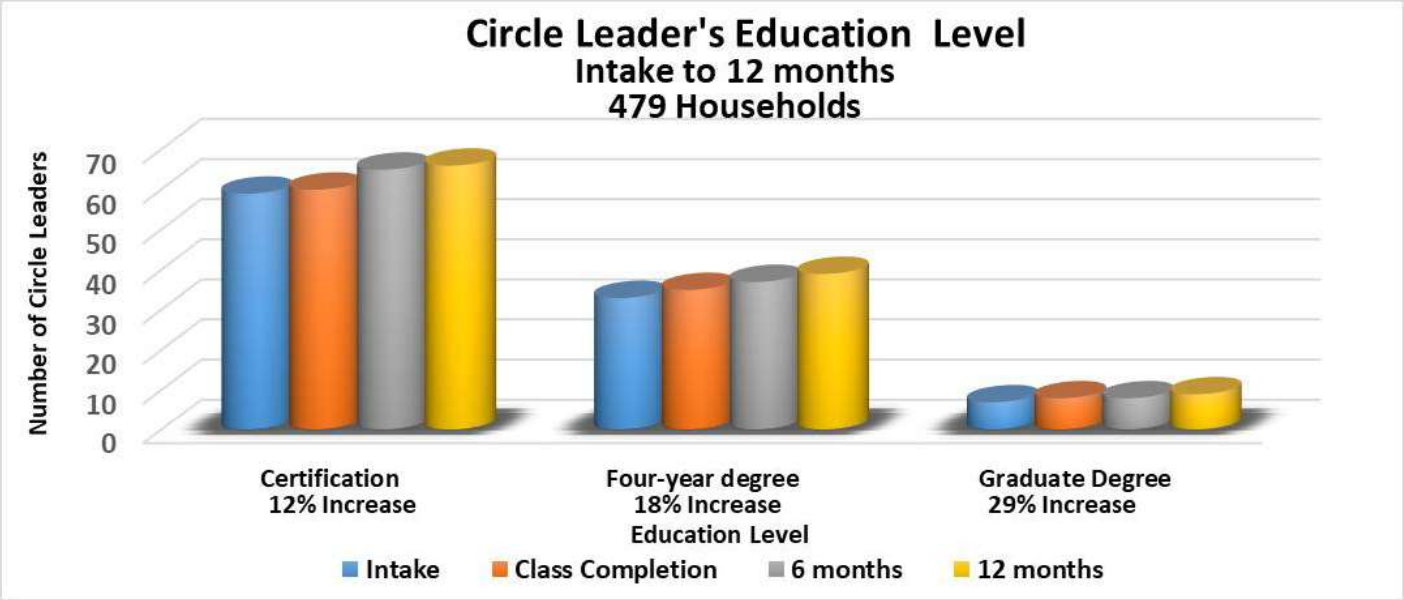
Circles supports people in becoming employed to earn enough income to achieve economic stability. There are significant gains for Circle Leaders in moving from unemployment to part-time or full-time jobs. At 12 months, there was a **39% decrease** in Circle Leaders being unemployed, a **14% increase** in part-time employment, **44% increase** in full-time employment and a **60% increase** in self-employment.



While the self-employed numbers are statistically insignificant now, we are collecting this data and reinforcing the strategy to support people into self-employment given economic forecasts for decreased traditional jobs and increased demand for entrepreneurial skills.

Education

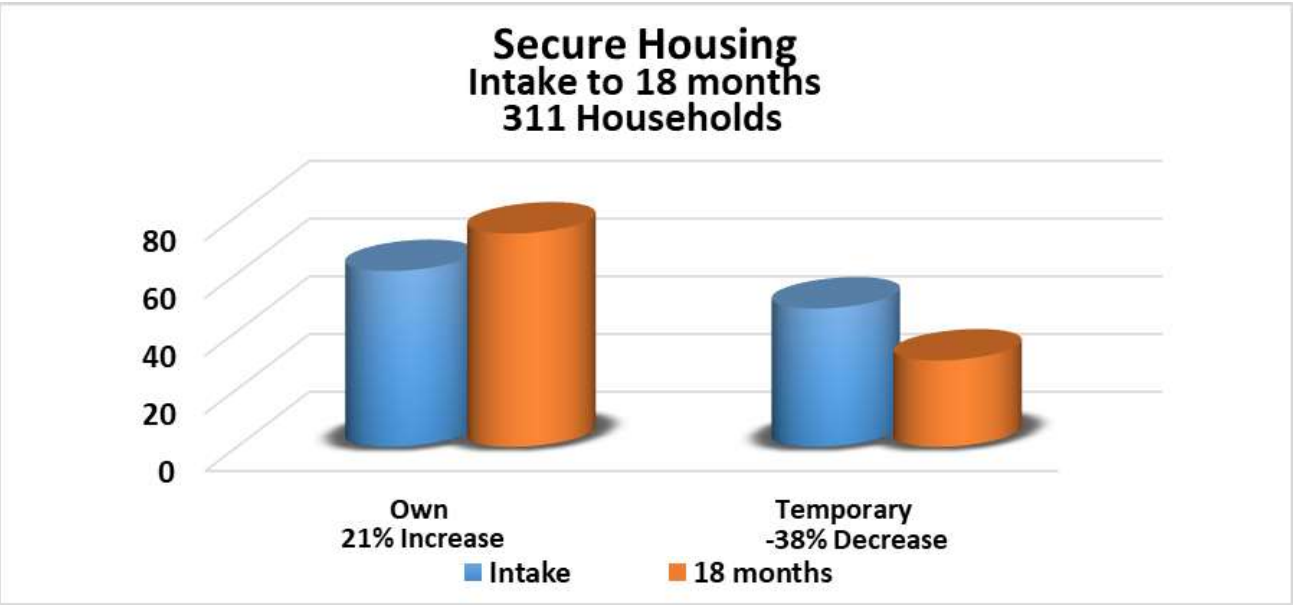
Circles supports people to increase their education to earn more income. Results show increases in certifications



Housing

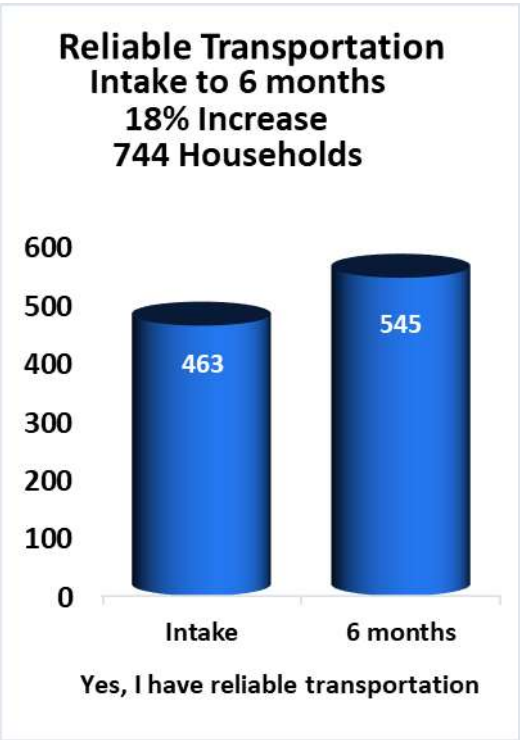
Most Circles Chapters require stable housing before enrolling in Circles. People who are temporarily staying in friends or family's homes and those who are in Chapters that serve people in homeless shelters, are represented in the category called "Other." Our goal is to help people maintain stable housing and to support those who want to become homeowners.

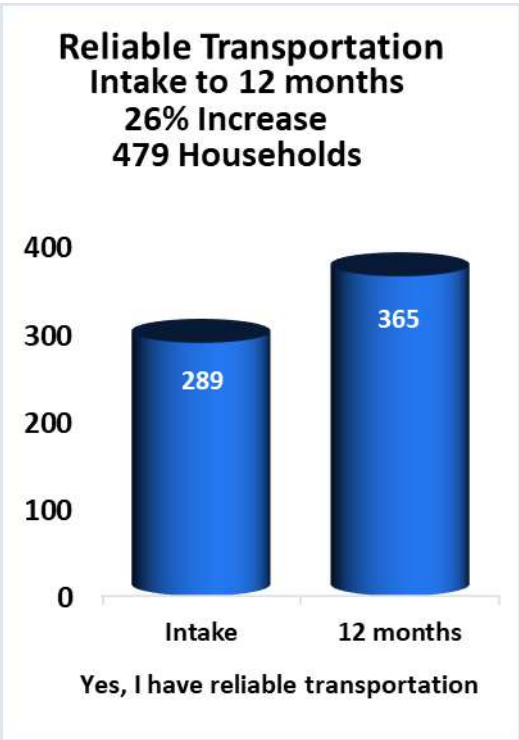
During the initial Circles class, there was a **16% decrease** of households who were either living with friends and family members or homeless. Within 18 months, there was a **43% decrease**. Home ownership **increased by 38%** within 18 months.

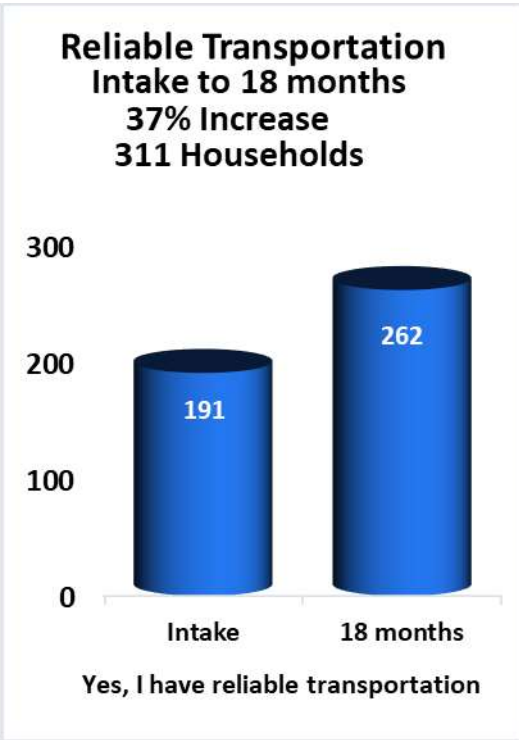


Transportation

Reliable transportation is a major barrier to increasing earned income. Circles shows substantial gains in reliable transportation. People are asked at their Circles intake interview and every six months thereafter if they have reliable transportation.







"We have been conditioned to believe poverty is an unavoidable problem of society.
What if that's not true?
What if we have normalized an abusive condition that we could actually solve?"

Scott C. Miller
Founder & CEO, Circles USA

www.CirclesUSA.org