



Spring 2005 Newsletter

Prosperity Through Circles

We are excited about the Prosperity NOW program because it is a new approach to an old problem: poverty.

Prosperity NOW is founded on the belief that only through the development of relationships, changing the mindset of community members, and helping people organize to change systems that perpetuate poverty can we end poverty in the United States.

The key feature of Prosperity NOW is Circles of Support, which is described in detail on the next page. The first seven Circle participant families in our community were matched with allies in the fall of 2004. Eight more participants are waiting to be matched with allies.

In 2005, our program is expanding to serve 40 families who are participating in the Minnesota Family Investment Program. We've entered into a contract with St. Louis County Public Health and Human Services, and we are currently recruiting allies who will be matched with the participant families.

When enough effective, authentic relationships have been built across class and race lines, we will have the public resolve to end poverty. Please join us today.

Key Components of Circles of Support:

- Allies are recruited from interested faith communities, businesses, community service groups, and the general public.
- Participants are motivated and committed to getting out of poverty.
- Prosperity NOW staff match participants with allies who have similar interests.
- Circles meet at least once a month.
- Circles work on goal plans and build relationships with each other.
- Ally and participant support meetings provide a forum to discuss challenges and achievements of the Circles.
- Monthly "Big View" meetings (open to anyone) address the systems issues that create roadblocks to moving out of poverty.

We Need More Allies!

***To find out more about being an ally
and partnering with a family
that wants to get out of poverty,
call Jennifer at 726-1665 ext. 17.***

The mission of Community Action Duluth is to use innovative strategies to mobilize low-income people and the broader community to build assets that prevent poverty, create equality, and strengthen our social fabric.

Add **Meaning** to Your Life Through **Circles of Support**



The basic tenet of the Circles of Support strategy is to ensure that all people have enough money, meaning, and friends to thrive.

The approach is one that employs the head, the hands, and the heart; is driven by good intentions; gives permission for people to make mistakes, and celebrates what is new and good, shifting the focus from problems to solutions.

In a Circle of Support, companionship is established and hope is generated.

Circles of Support builds the capacity of ordinary community members to care for their neighbors by facilitating

intentional relationships across class and race lines.

A Circle of Support is made up of three allies and one participant family. Allies can be anyone, with any level of resources, who genuinely wants to help. Allies rally around a participant family or individual to help the participant meet their short- and long-

term goals. In particular, Circles focus on the social, economic, and educational needs of the participants.

Everyone benefits from a Circle of Support. While participants are seeking help with their journey out of poverty, allies are seeking more meaning in their lives through a direct relationship with someone who can benefit from their time and energy.

Everyone has gifts and talents to share, and the goal of Prosperity NOW is to identify those gifts and talents to help willing people effectively contribute toward the overall goal of ending poverty in our larger community.

The reciprocal relationships built in these Circles help break down the isolation many low-income families experience, and add meaning to the lives of both the allies and participating families.

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Ron Carlson

I became involved in Circles of Support because it is my belief it is up to individuals to provide support and help one another.

Although we come from diverse backgrounds and we appear different, I believe most of us have the same goal: to live in harmony and be able provide for our families and ourselves.

Participating in Circles of Support has meant stepping out of my comfort zone and risking forming new relationships. However, it is a risk worth taking for the ultimate goal of helping someone move out of poverty.

In the larger picture, the risk is small and there is much to gain. It involves a little time, the willingness to form relationships without judging, respect for differing views and the mutual goal of helping each other grow.

The potential growth of this program is immeasurable.

Nicole Kreidler

I grew up in a family that was working poor. I was the child of a single parent at two separate times in my life. I have seen many struggles that people on a limited income face.

I have always had a passion for helping those with limited incomes and those who have great need. My mother and I have been very involved in our church ministry, collecting clothing, furniture and household items for those in need for distribution through the Neighborhood Family Center.

I am looking forward to helping my Circle participants plan a budget and take other necessary steps to work toward getting out of poverty. The program has been a growth experience for me as well, as I have learned a lot about myself and my goals during the process. I am very glad to be a part of this vital organization.

Arif Muhammad and Vernita Allen

Our experience with Circles of Support has been astonishing. We didn't expect such prizing results. Living in poverty has stunted us from growth and Circles of Support has given us hope.

Circles of Support has placed three wonderful and willing people in our lives. The relationships we have are like no other; we wouldn't ask for anyone else but Lorraine and Ron Carlson and Nicole Kreidler.

These three great people have brought to our lives peace, love, joy, happiness, friendship, compassion, loyalty, trust, and hope. Most of all, we appreciate the security, laughter and all the support. It feels good to be accepted and not judged for who we are and where we come from. We have planted our seeds in Circles of Support, and we enjoy watching them grow.

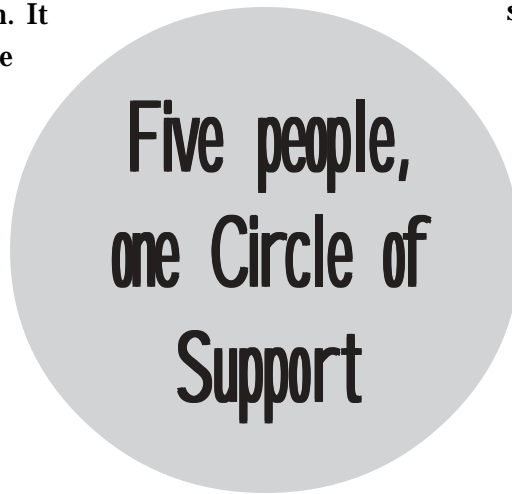
Lorraine Carlson

One year ago, I didn't think of myself as a candidate to be an Ally in a Circle of Support. I asked myself, "How can I relate to people in poverty when my lifestyle provides a barrier between us?" With a certain amount of hesitation, I agreed to participate in the program.

The barrier I had created in my mind became transparent, however, as I learned more about the program and met Arif and Vernita. As with any relationship, there have been awkward moments of adjustments, and it has taken time to trust each other.

My relationship with Arif and Vernita has allowed me to see them for who they are: wonderful people, with hearts and hopes similar to mine, simply from a background different than my own.

The Circle of Support program has given me an understanding and acceptance of myself and others I didn't know I had. My involvement is giving me a new perspective on my life, and a diversity of friends who give it meaning.



Take the Poverty Quiz

1. Percentage of Duluth students receiving free or reduced lunches: _____%
2. Number of Duluthians living in poverty according to the federal poverty guidelines (family of 2 = \$12,490/year; family of 3 = \$15,670/year): _____
3. Percentage decrease in new jobs in Duluth over the past three years: _____%
4. Percentage of all working Duluthians who hold a bachelor's degree or higher: _____%
5. Percentage of job openings in our region that require a 4-year degree: _____%
6. Average rent for a one-bedroom apartment in Duluth: \$_____
7. Average rent for a three-bedroom apartment in Duluth: \$_____
8. Percentage of all Duluth working adults who earn less than \$15 an hour: _____%
9. Average wage in Duluth: \$_____/hr
10. Wage needed to support a family of three in our region: \$_____/hr

Sources: Duluth School District, 2000 Census, Jobs NOW Coalition, Minnesota Workforce Center, Wilder Research Study.

Answers:

- | | |
|-----------|----------------|
| 1. 34% | 6. \$572 |
| 2. 12,000 | 7. \$990 |
| 3. 50% | 8. 58% |
| 4. 28.2% | 9. \$12/hr |
| 5. 7% | 10. \$16.18/hr |



Tax Service Well-Utilized

In a partnership with AccountAbility Minnesota, Community Action Duluth offered free tax preparation and electronic filing services this spring to individuals who earned less than \$26,000 and families who earned less than \$36,000 in 2004. Our fabulous volunteers helped 260 people claim over \$320,555 in state and federal refunds.

Under the superb direction of tax site director Stasia Ruskie, the volunteers offered their services at Community Action's office on Tuesday nights and Saturday mornings during tax season to help people file taxes and claim their Earned Income Tax Credits.

EITC is the nation's biggest anti-poverty initiative. At our tax site, the average state and federal refund was \$1,237. Studies have shown this money has a positive effect on the local economy. The economic impact of these tax returns was enormous—over \$8 million in the EITC and over \$2 million in the Minnesota Working Family Credit was claimed by hard-working Duluthians last year.

Unfortunately, many people who are unaware of free tax sites waste their money by paying high fees at a commercial preparer and getting a costly refund anticipation loan.

One person who had his taxes done by a commercial preparer last year paid \$172.95 in fees and received a refund of \$615 after all the fees were subtracted. If he had gone to a free tax site, however, he would have received a \$788 refund! He was glad he came to our site this year.

Matched Savings Programs Help People Build Assets

Community Action Duluth is committed to helping people improve their futures by acquiring assets such as a house, education or a business. Over 50 people are currently saving money every month through our two matched savings account programs, called FAIM (Family Assets for Independence in Minnesota) and the HOPE VI IDA program.

The matched savings accounts are called Individual Development Accounts (IDAs). Each person is receiving a 3:1 match, which means if they save \$40 per month of their own money, they earn \$120 in matching funds every month.

Everyone in the matched savings programs is required to take a 12-hour financial literacy class that covers saving, getting out of debt, improving credit, investing, consumer protection, and predatory lending.

FAIM is a statewide program that over 400 low-income people in Minnesota are utilizing to save money. Each person can save money in the FAIM

program for two years, for a maximum of \$3,840 in matching funds. FAIM savings can be used to buy a house, for education, or to start a business.

The HOPE VI IDA program is for people who were living at Harbor View public housing at the time the HOPE VI project was approved. This program allows people to save \$30 per month for up to four years. HOPE VI IDA money can only be used to purchase a home.

Currently 12 people are saving money, attending financial literacy classes and working to improve their credit in the HOPE VI savings program, and there are still openings in the program.

We are now taking applications for 40 new FAIM matched savings accounts to begin July 1, 2005. For an application or information, call Angie at 726-1665 ext. 13.

Krista's Story: A Home of Her Own

Krista is a single mother with one child who had a dream of owning a home. In January 2004, she saw a story on the evening news about the kickoff of a new matched savings program (FAIM) at Community Action Duluth, and was one of the first people to apply for the program.

Krista, who earns about \$20,000 in annual income from her part-time job at a group home and her child support, started saving \$40 of her own money every month in a savings account at Bremer Bank. Krista's savings were matched 3:1 by the FAIM program.

Krista completed an 18-hour financial literacy class in the spring of 2004. Last summer, she started looking for a house. Within a few months, she found a perfect 3-bedroom house with a garage at the end of a quiet dead-end street.

Krista was able to use some of her FAIM savings and the match money for the down payment on the house. She also received about \$5,000 from additional down payment assistance programs.

The house was appraised for \$112,000, and Krista was able to purchase the house for \$94,000, so she had some equity in the home from the start.

Krista was happy to learn that her new monthly mortgage payment is less than her monthly rent payment was. Best of all, she now has an asset that is permanently hers.

Krista continues to save money through the FAIM program, and plans to start a family child care business in her new home. She completed a business plan and used her FAIM savings and match money to purchase toys and sleeping cots for the kids and to pay the licensing fees to become a child care provider.

Community Action Duluth

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Great News! The Minimum Wage Bill passed both the House and Senate Floors and is now on its way to the Governor's desk! After eight years of not seeing a raise, this is fantastic news. The bill that passed would raise the minimum wage to \$6.15 over one year. The provision is making its way to the Governor's desk, where he has said he'll sign it! This is good news for all Duluthians who are currently earning minimum wage and the many Community Action agencies and other advocates for low-income people around the state who supported this bill.



Common Cents: The Money Class

- New financial literacy class
- For people who want to get out of debt, improve their credit and save for the future
- Starts Tuesday, June 7, 2005, and meets for 4 Tuesdays from 6-8 pm
- Free – includes pizza, childcare and all materials
- Class size is limited, so call soon to reserve a spot!

Topics include: budgeting to create savings, debt reduction and asset building, building good credit, and consumer protection and investing for the future. The class includes a credit report with a credit score and a free one-hour meeting to develop a credit repair plan. To register, call Angie Miller at 726-1665 ext. 13.