

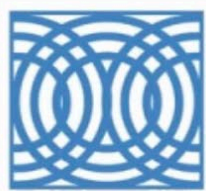


CIRCLES WASHINGTON COUNTY, MD

Washington County Community Action Council, Inc.

TIMELINE OF EFFORTS TO DATE

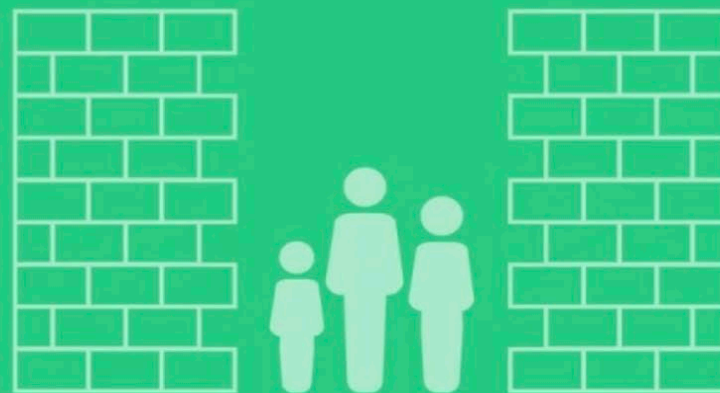
- Del. Brenda Thiam contacted Western MD Consortium and CAC about Circles USA, an initiative for poverty alleviation, she heard about at the MACo (Maryland Association of Counties) Conference in 2021.
- They reached out to Scott Miller, the founder of Circles USA, for more information as to how this initiative could help our community.
- The Western MD Consortium used ARPA funding for Circles USA to create a dashboard of Washington County data and statistics to assess the community and determine if Circles could be a community solution to poverty.
- A Start up Committee determined a Poverty Alleviation System and Circles USA Chapter in Washington Co. could be beneficial to reducing the number of County households experiencing poverty
- Western MD Consortium committed \$1M in APRA funding, over 3 years, to CAC, for the creation of a Poverty Alleviation System and Circles chapter in Washington County, MD
- Kimberly Buchanan, Director and Elizabeth Howe, Coach, from CAC, along with leaders and volunteers from various sectors of the community are working to create Circles Washington County, MD under the direction of Circles USA and Scott Miller Consulting



1 Help families get out of poverty



2 Remove barriers that keep people in poverty



The Circles USA Approach

Circles gathers middle- and high-income volunteers to support families in poverty through *intentional relationships*.

Together, they work to move low-income families into long-term economic stability.



Scott C. Miller
CONSULTING



THE PROBLEM: Poverty systems in the USA are not working effectively

Agencies and organizations working in the current system are forced by funding and regulations to manage poverty. They are not being compensated to help families and individuals get out of the poverty cycle. The pandemic has exacerbated the situation by flooding an already overloaded system with myriad new programs and people to serve.

Delivering programs and services to those in need is highly inefficient. Systems for delivery are outdated, uncoordinated and make it difficult and frustrating for those trying to receive help. Agencies and service providers are siloed and cannot easily work together – in fact, they are often in competition with each other.

Those in poverty who are motivated to help themselves, typically don't have the time, knowledge, or other necessary resources - such as reliable transportation or internet connectivity - to access the various programs and services they need. It is a difficult, complicated hill to climb.

Once an individual or family receives help, there is no coordinated effort to see them advance through the stages of poverty to self-sufficiency. This allows people to take advantage of services and provides no incentive for them to better their situation.

The existing poverty management system is also set up to penalize the poor for working. The Cliff Effect occurs when a pay raise at work triggers a disproportionate loss of government assistance. Even a small raise can “push people off the cliff” when it comes to benefits. Suddenly ineligible for subsidized food, housing, healthcare, or childcare, the family is worse off than before receiving the raise. There is nothing in place to bridge the income gap of losing these benefit programs until their income level increases to the point that it more than makes up for the loss of benefits. This is a significant, and often insurmountable, barrier when trying to get out of poverty.

It is extremely difficult to get out of the cycle of poverty with the current system and it is destroying our communities.

THE COST OF POVERTY

Alleviating poverty is vital for any community to grow and thrive. To allow a child to grow up in poverty, it is estimated that communities spend an average of \$63,379 per year, per person, when they become adults. And according to studies, children that grow up poor are much more likely to be poor as adults, continuing the cycle of generational poverty.

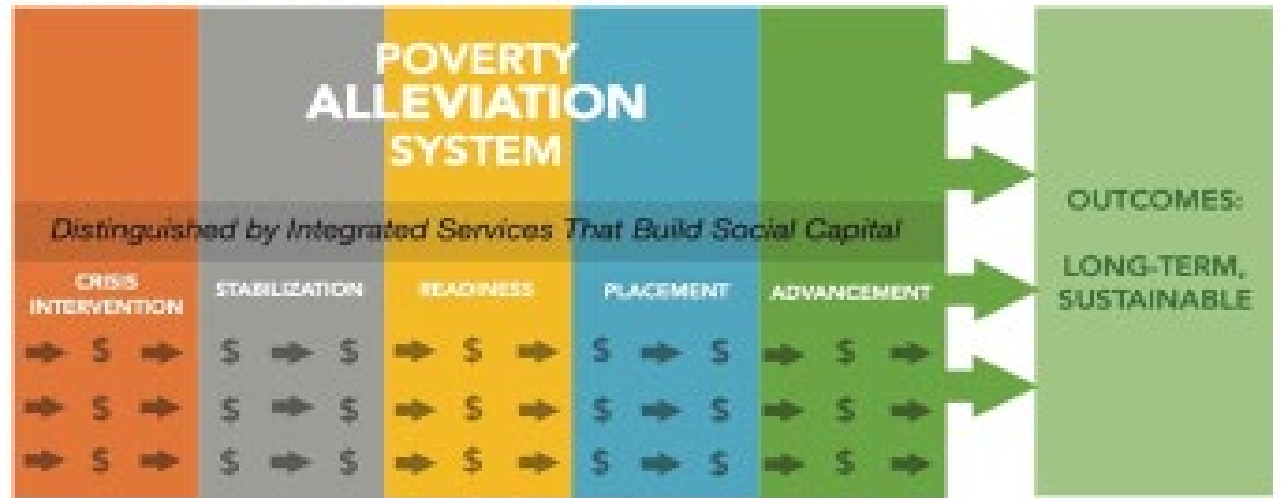
A rise in poverty is detrimental for economic development and growth. When a community does not have the workforce it needs, it creates a downward spiral of shrinking tax revenues and an ever-increasing need for government spending as the community struggles to provide essential services to its poor population.

As the poor population increases, so do rates of drug addiction, domestic violence, crime, gangs, civil unrest, and business closures. This further stresses the community as police and fire departments, healthcare systems, schools, and social services struggle to keep up with an increase in need, a shortage of workers, and decreased funding. Now the quality of life for the entire community is at risk. Affluent, working members of the community move away and it becomes difficult to attract new workers or new businesses.

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CULTURE OF PROSPERITY



CULTURE OF POVERTY



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HOW DO WE SOLVE THE PROBLEM?

Understanding what those living in poverty experience on a day-to-day basis is fundamental to addressing any real solution. The stress of not having basic needs like food and shelter means this population is in a constant state of crisis and fear. In this state, it is impossible to think strategically, plan ahead, or even have hope. For those who are willing and able to make progress, all it takes is one setback to send them back into crisis. The pathways out of poverty in the current system are long and treacherous, with obstacles in every corner.

Circles USA has a 25-year history of helping move people out of poverty. The Circles method identifies people who are motivated to move out of poverty (Circles Leaders) and matches them with middle-income and high-income volunteers (called Allies) who can support and encourage them on their journey. Through online or in-person training and weekly meetings, Circles Leaders build friendships with the Allies. Over time, these relationships help families climb out of poverty and achieve financial stability. The opportunities and obstacles families experience are shared with the larger community, so that successes can be celebrated, and the barriers can be overcome.

Having identified poverty as one of the greatest risks to any community, the Community Economics Lab has recognized the potential that Circles could have if it was able to alleviate poverty at scale. Over the past 10 years of collaborative thinking and development, The CELab and Circles USA have worked together to create the model for a Poverty Alleviation System (PAS).

THE POVERTY ALLEVIATION SYSTEM

In a world where communities are struggling to *manage* poverty, the PAS is focused on *alleviating* poverty. This involves connecting poverty alleviation with workforce and economic development efforts in the community. Key leadership, as well as everyday citizens, must understand the importance of this connection. The PAS will create a more sustainable and qualified workforce by helping families out of poverty, supporting youth so they do not continue the cycle of generational poverty, engaging the community in alleviating poverty, and improving everyone's quality of life.

5 Stages to Prosperity



WHAT MAKES PAS DIFFERENT

PAS focuses not only on direct poverty alleviation activities that meet basic needs and address crisis, but also on economic and workforce development solutions that are critical for any poverty alleviation effort to succeed. This includes creating an engaged and informed constituency and an advanced program infrastructure that allows for rigorous planning, management, and accountability.

Individuals served through the PAS will be guided through *all* stages of moving out of poverty, from crisis management to career advancement and wealth building (*see chart on next slide*). It is understood that the journey will not be linear - there will be setbacks. The PAS is designed so that no one “falls through the cracks.”

What is Poverty

Poverty is *not enough money*—the consistent inability to pay for the basics such as adequate housing, healthcare, nutrition, and transportation.

Poverty is *not enough meaning*—a depression and emptiness that people experience when they don't have the sense of making a difference to the wellbeing of others in the community.

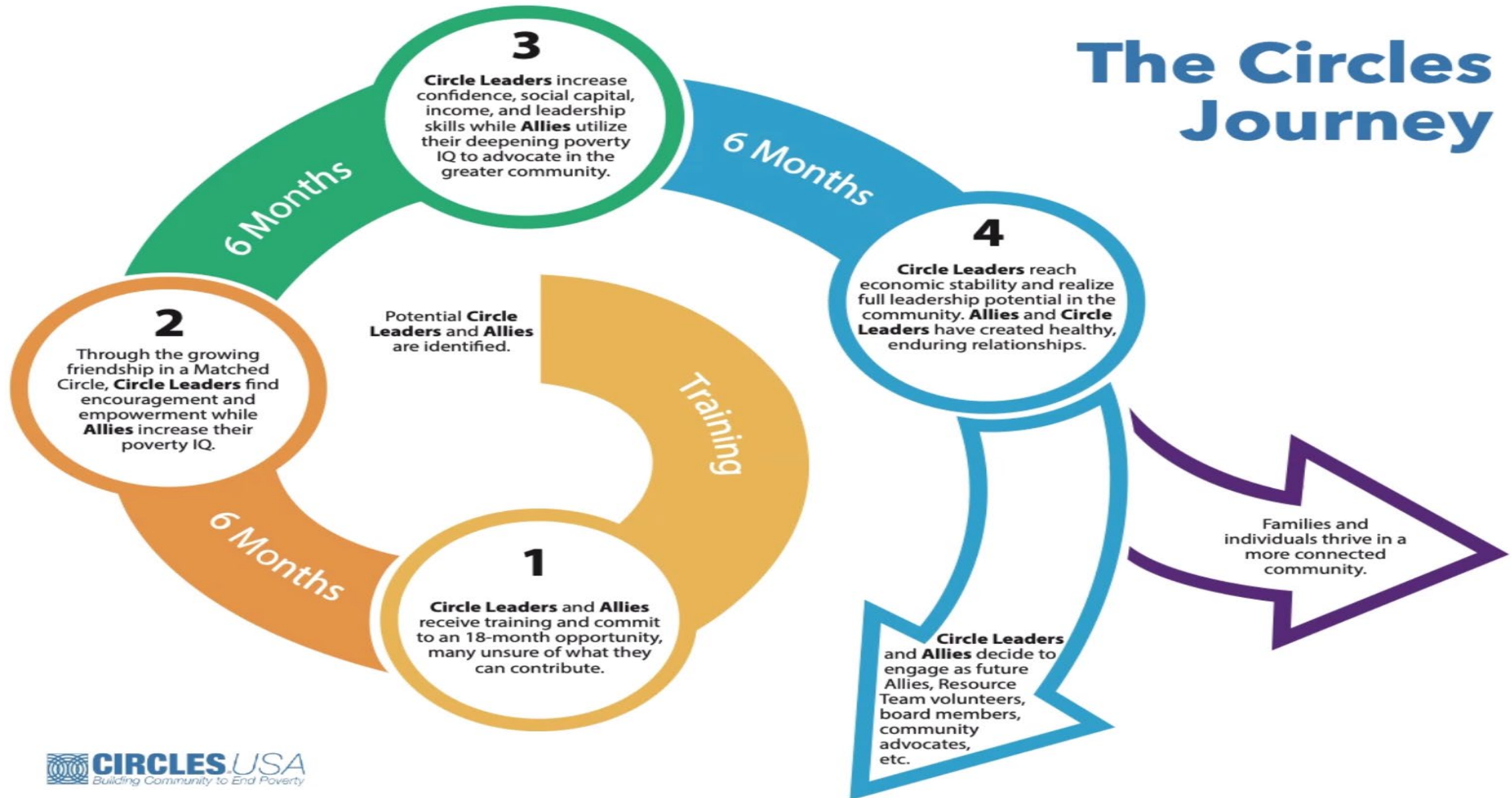
Poverty is *not enough friends*—an isolated life that people who experience poverty especially have.

When viewed through these larger definitions, anyone can experience poverty at any point in their life. We all need enough money, meaning, and friends to thrive. CUSA envisions creating a system for building communities that can reduce poverty.

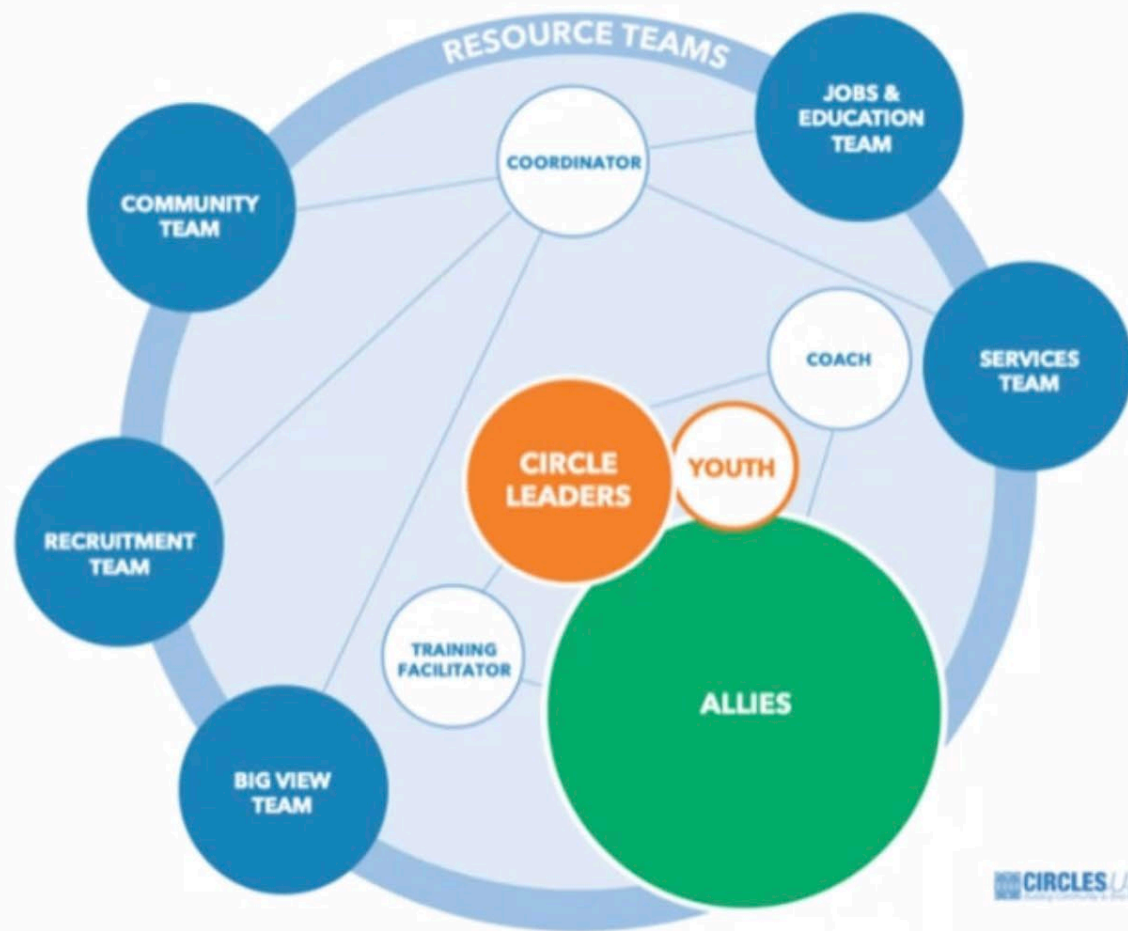
Circles Process



The Circles Journey



Overview of the model



CIRCLES USA

CIRCLES USA
Building Community to End Poverty

CIRCLES REDUCES POVERTY

Circles USA gathers middle-income and high-income volunteers to support families in poverty.

Surrounded by people who have landed jobs, negotiated a lease, or managed credit card debt, for example, people experiencing poverty are more equipped to achieve long-term financial stability.

CIRCLES CHANGES COMMUNITIES

While participants are navigating their way out of poverty, their successes and challenges are shared with local community leaders. The barriers that keep people in poverty are identified, discussed, and often resolved.

SYSTEM BARRIERS

- 1  Cliff Effect
- 2  Broadband Access and Technology
- 3  Online Applications for Employment and/or Services
- 4  Felonies
- 5  Rigid Bureaucracy
- 6  Cultural Differences and All the "isms" (i.e., Racism, Sexism, Classism, etc.)
- 7  Low Poverty IQ of the Community, Policy Makers, and Employers

CIRCLES IS A MODEL THAT WORKS

Circles' participants achieve a 39% increase in income after six months and a 78% increase in income after 18 months. Participants continue to increase their income—even after the 18-month period.

Average Increases in Annual Income for Circles Participants



WORK PATHWAYS

- 1  Hard Skills & Soft Skills
- 2  Credentials / Certification Requirements
- 3  Key Values
- 4  Non-negotiables
- 5  Income Line of Sight
- 6  Cliff Effect Mitigation Plans
- 7  Employee Support Programs
- 8  Poverty IQ

POVERTY ALLEVIATION SYSTEM

Proposed Approach and Partnerships

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