

IMPACT REPORT

RESULTS AND PROGRESS FROM 2019



Pictured: Hands-On Training Participants, February 2020 in Orlando, FL

EXECUTIVE SUMMARY



“Why manage poverty when we can end it?”

Circles USA was established in 1998 with a mission to inspire and equip families and communities to end poverty and thrive. The unique approach of this 501(c)3 nonprofit organization combines direct services with bold systemic change.

The poverty rate in the U.S. has remained high (between roughly 14-16%) for several decades. To reduce poverty and one day end it, we must commit to supporting people until they are out of poverty. Circles assists people with plans to achieve economic security (defined as 200% or more of the Federal Poverty Guidelines*) and goals related to overall well-being. Circles also transforms the systems that were designed to only manage poverty.

*(*Federal Poverty Guidelines are determined by the U.S. Department of Health. For example, to achieve 200%, a family of four would earn \$52,400 annually.)*

“Circles is one of the best models for long-term poverty reduction I have ever encountered. It sets up a new dynamic that puts the families who want to become economically stable in the driver’s seat rather than being viewed as clients choosing predetermined options. All involved create a community conversation to reduce poverty regionally.”

— Lynette Fields, Executive Director of Poverty Solutions Group

EXECUTIVE SUMMARY

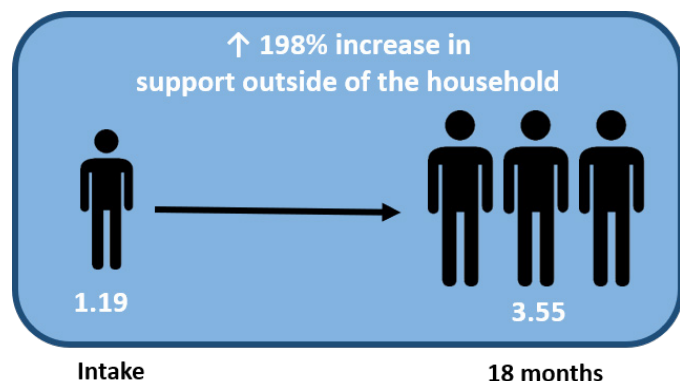
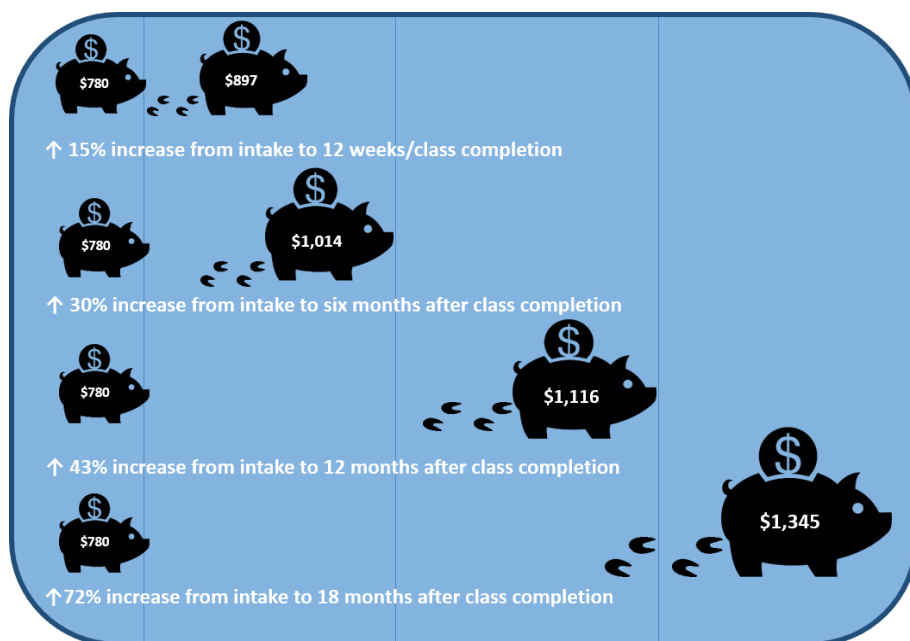
DIRECT SERVICES

Through our Chapters, individuals seeking to escape poverty, called Circle Leaders, enter into intentional friendship with volunteer Allies. Surrounded by volunteers with experience getting a job, negotiating a lease, or managing credit card debt, for example, those experiencing poverty become more equipped to achieve financial stability.

Chapters host dinner meetings weekly to support all aspects of each Circle Leader's life, from practical daily needs (such as reliable transportation, job training, and financial literacy) to lifelong values (such as physical health, emotional wellness, and a sense of community connectedness). Weekly meetings offer childcare and educational programming for youth to advance a two-generation approach to poverty reduction.

Circles USA provides Chapters with a 12-week curriculum and workbook to help Circle Leaders achieve their goals. Circles USA also provides an extensive training program for volunteers to challenge negative stereotypes of poverty.

Circle Leaders see their income increase an average of 30% after participating for six months, 43% after one year, and 72% after 18 months.



Circles Leaders also grow their support networks. After 18 months, Circle Leaders who struggled to name one emergency contact reported having more than three people they could call on for support.

Circles USA calculated these figures from a select sample of reports collected over several years, representing 591 Circle Leaders who journeyed from intake through class completion to 18 months.

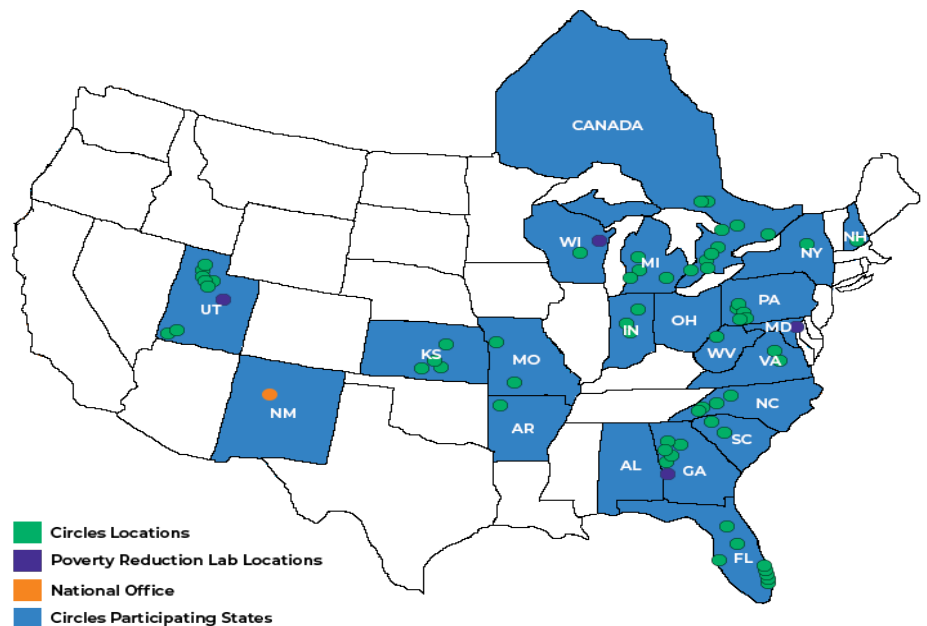
EXECUTIVE SUMMARY

BOLD SYSTEMIC CHANGE

Each Chapter has a Big View Team with community members representing local government, educational institutions, nonprofit organizations, and businesses. The Big View Team tackles issues such as affordable housing, childcare, transportation, healthcare, financial literacy, quality jobs, and the issue of the Cliff Effect -- when rising income cuts off benefits before people can afford the services.

In 2018, Circles USA launched a new initiative, Poverty Reduction Labs, in order to use the Big View format to transform the poverty management system into a poverty reduction system. The Labs provide a potential model for communities to organize new collaborations that will reduce poverty rates by at least 10% within ten years.

In the United States, there are 73 locations -- representing 18 states, 43 counties, and 17 cities with populations of 100,000, including 18 locations in Ontario, Canada and four Poverty Reduction Labs. In 2019, new Chapters began in Cambridge, MD; Cashiers, NC; Fayetteville, AR; Gainesville, FL; and Independence, MO.



Connected by these core values, we envision a critical mass of communities reducing poverty in North America.

This report details our progress. Thank you for contributing to Circles USA's impact!

CIRCLES@CIRCLESUSA.ORG - CIRCLESUSA.ORG

CHAPTER RESULTS

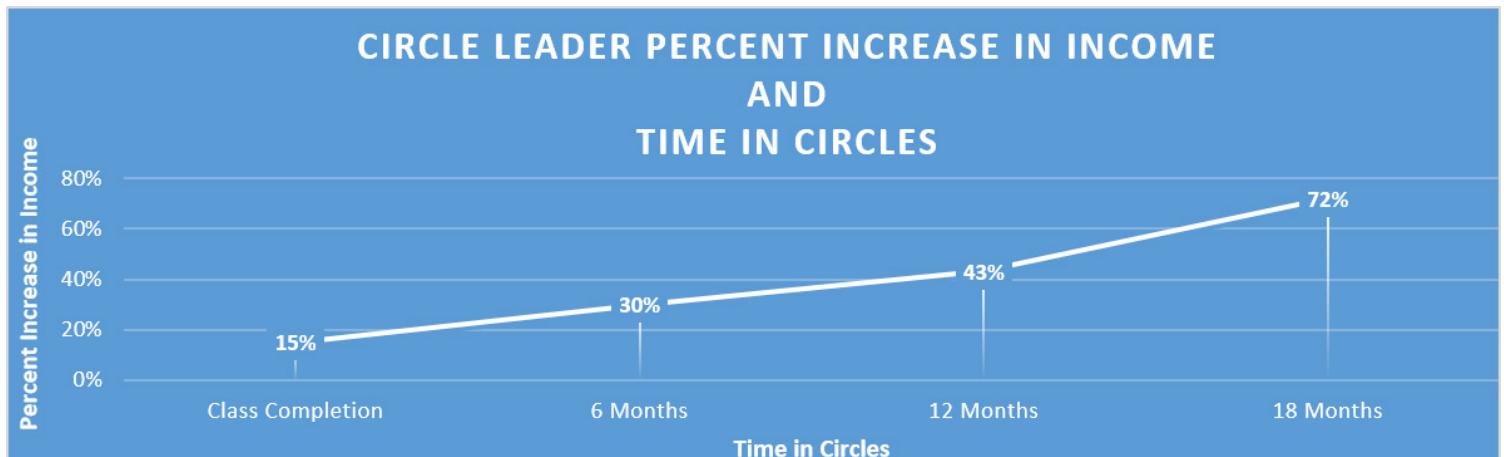
EARNED INCOME

The primary indicator of progress in Circles is an increase in earned income. Circle Leaders see their income increase an average of 30% after participating for six months, 43% after one year, and 72% after 18 months.



"I didn't know I was in poverty until I looked at the numbers. Now I realize I needed this program. I'm learning to make my goals specific and attainable."

— Joy Thomas, Circle Leader from Circles RVA (Richmond, Virginia)

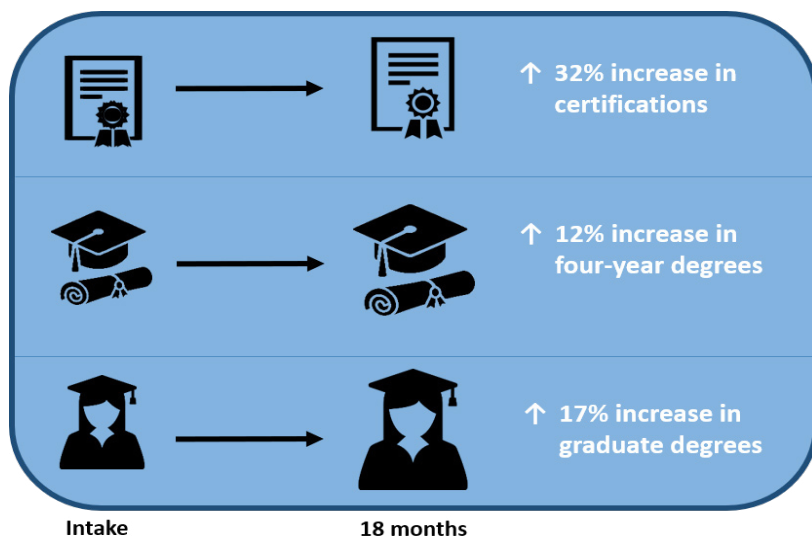
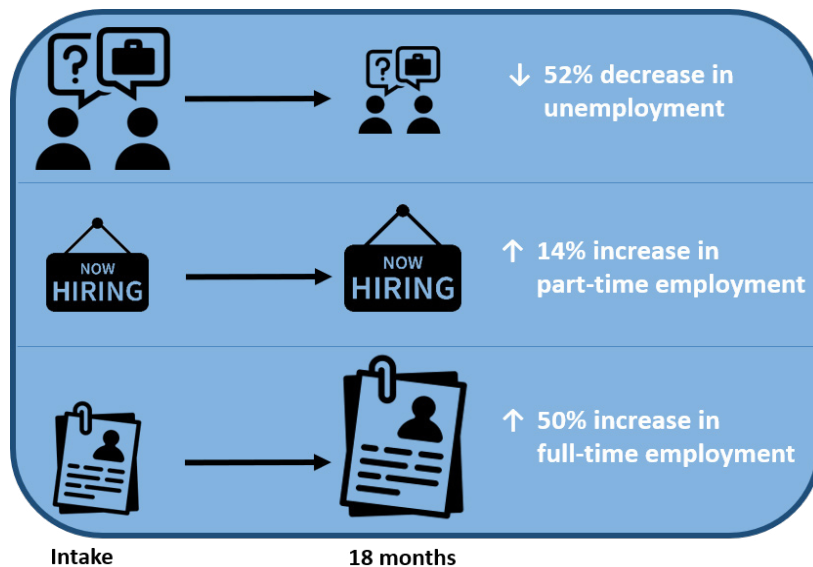


Circles USA calculated these figures from a select sample of reports collected over several years, representing 591 Circle Leaders who journeyed from intake through class completion to 18 months.

CHAPTER RESULTS

EMPLOYMENT STATUS

Circles supports individuals to get jobs and earn enough income to reach economic stability. Circle Leaders made significant progress moving from unemployment to part-time and full-time work.

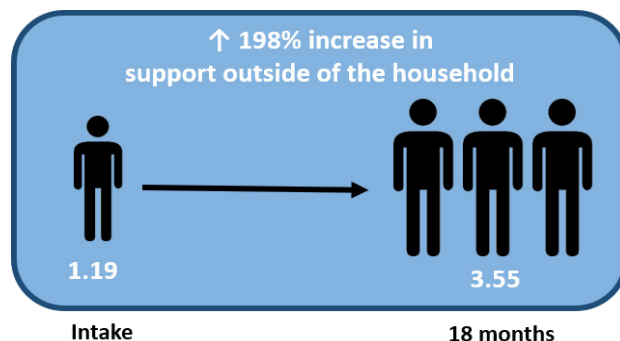


EDUCATION

Circle Leaders often pursue education and training in order to earn more income. Circle Leaders also increased certifications, four-year degrees, and graduate degrees.

SUPPORT NETWORK

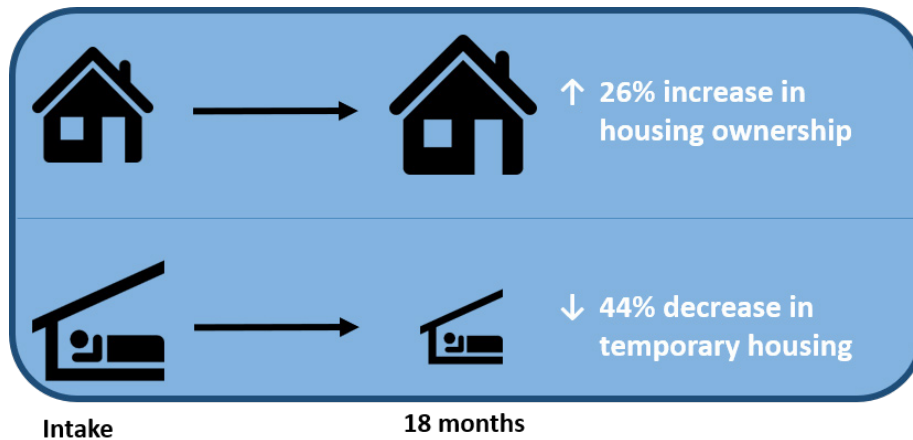
Circle Leaders grow their support networks: After 18 months, Circle Leaders who struggled to name an emergency contact reported having more than three people they could call on for support.



CHAPTER RESULTS

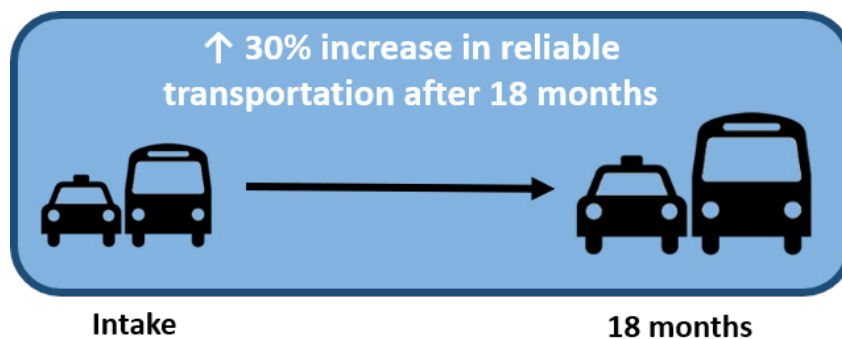
HOUSING

Circles supports individuals to gain and maintain stable housing and encourages those aspiring to become homeowners. Our results show increases in home ownership and decreases in temporary housing.



TRANSPORTATION

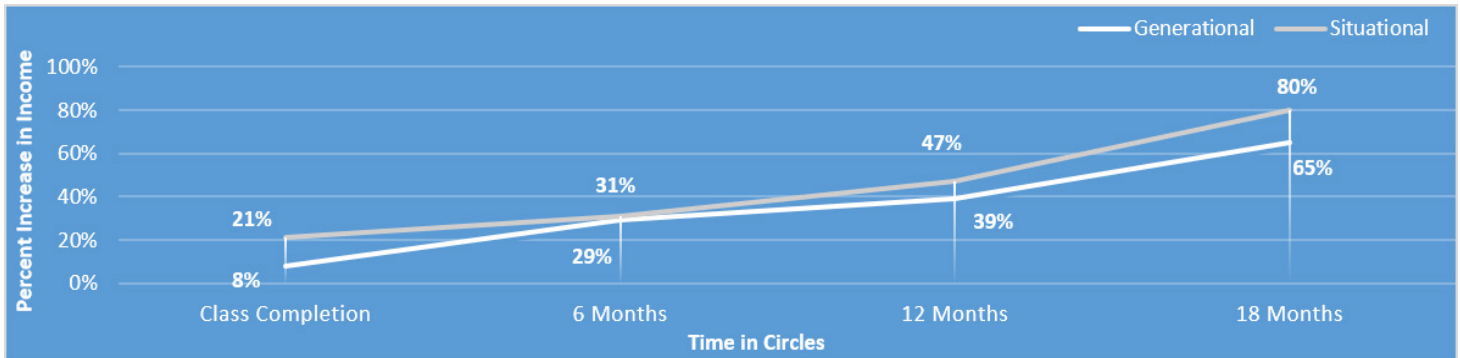
Reliable transportation helps individuals to be successful at work. Our results show Circle Leaders experiencing significant increases in reliable transportation.



CHAPTER RESULTS

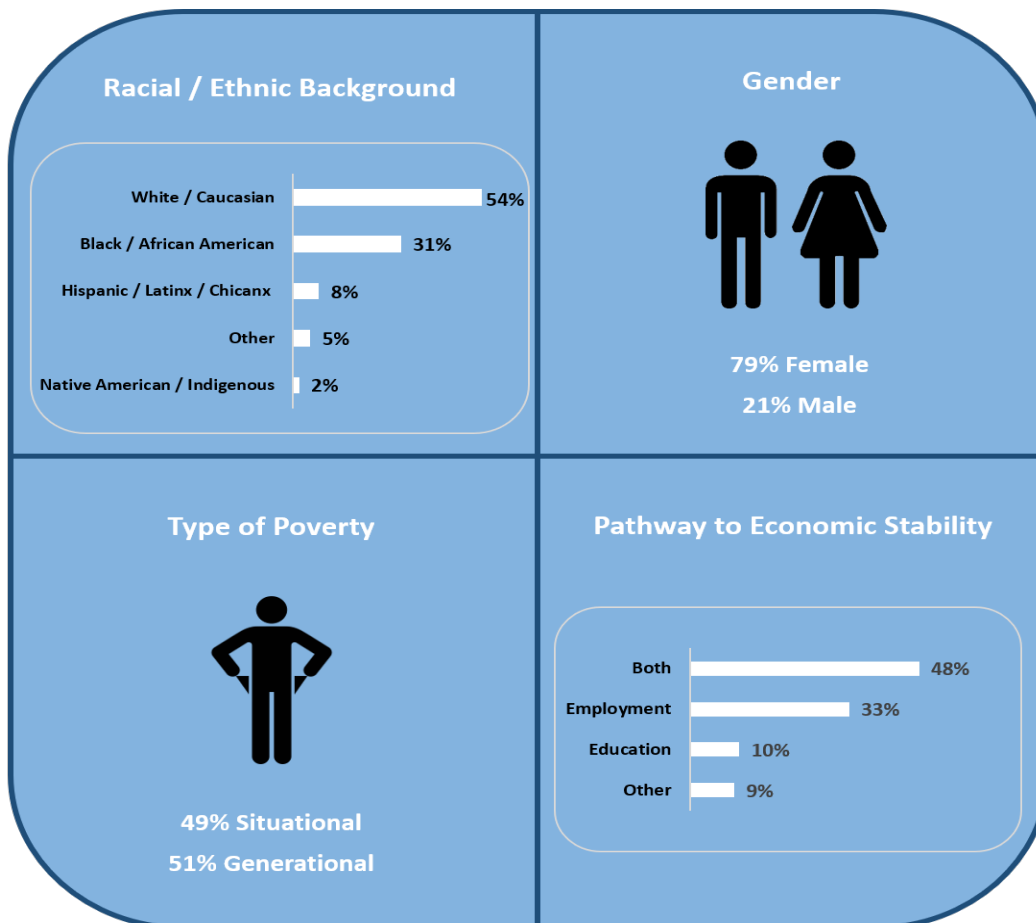
COMPARING SITUATIONAL AND GENERATIONAL POVERTY

From our sample of 591 Circle Leaders who reached 18 months, 52% were experiencing situational poverty and 48% generational poverty. Our results show that the Circles model is effective for those from both backgrounds.



DEMOGRAPHICS

Circle Leaders are racially diverse, primarily female, and overcoming situational poverty and generational poverty. Circle Leaders use both employment and education as pathways to economic stability.



The demographics were calculated from reports by 2,662 Circle Leaders.

COMMUNITY OF PRACTICE

Through Circles USA, staff and volunteers leading Chapters and Poverty Reduction Labs have access to support, including:

- Online and in-person learning, including coaching calls, webinars, regional trainings, conferences, and site visits
- Training materials, curricula, tools, and shared best practices
- Data collection and reporting system
- Marketing materials
- Fundraising and development assistance



CONFERENCE

The 2019 Circles Leadership Conference took place in October in Greenville, SC. It's the largest opportunity for members of the Circles network to gather, gain inspiration, and learn skills for further reducing poverty in their home communities. The event attracted 110 participants, including 66 first timers, representing 24 U.S. states and DC. Participants included staff and volunteers of Circle Chapters and Poverty Reduction Labs, individuals overcoming poverty, funders, policy makers, and national partners.

“Enough Money, Meaning, and Friends for a Sustainable Future” was the theme, borrowed from a new book (now available on Amazon) by Circles USA’s founder Scott Miller. The conference featured 28 breakout sessions in which participants analyzed the history of U.S. social policy, planned voter education initiatives, developed financial literacy programs for children and teens, considered the psychological effects of poverty, and more.

The conference also featured three speakers, each representing new organizational partnerships:

- MarYam Hamedani, managing director and senior research scientist at Stanford SPARQ, which leverages social science to reduce societal disparities and bridge social divides
- Lisa Marsh Ryerson, president of AARP Foundation, the charitable affiliate of AARP, which focuses on ending poverty and isolation among those over 50 years of age
- Diana Dollar, founding executive director of The Prosperity Agenda, which uses design principles for creating tools that reduce poverty

We thank our local co-hosts, Circles Greenville County in partnership with SHARE and Buncombe Street United Methodist Church, for the tremendous hospitality. Our next Leadership Conference is planned for Orlando, FL, in 2021, in collaboration with Circles Central Florida.



NEW CHAPTER CURRICULUM

Circles USA is thrilled to announce a comprehensive upgrade to our curriculum, which we expect to drastically increase the success of Circle Leaders, Allies, and staff.

The new Circle Leader curriculum is more sensitive to issues of race, class, and culture, and it highlights first-person testimonies from graduates. The format includes a paper-based Circle Leader Workbook with a facilitator script, making it easier to implement.

The new Ally Training is also more responsive to the complex context of poverty with new material on structural racism and gender equity. With the design provided by The YouSchool, the majority of Ally Training will now happen online, enabling efficient use of each volunteer's valuable time.

The new staff onboarding now introduces the Circles model through an online basic training, which serves as a prerequisite to our in-person Hands-On Training. Online tutorials advance our "volunteer-centric" model, giving Chapter staff the streamlined tools to support their volunteers on the frontline of helping more and more families achieve stability.



"We really like how the new Circle Leader training encourages Circle Leaders to dive into their own life stories."

— Sarah Ramthun,
Executive Director of
Circles Sauk Prairie,
Wisconsin

EVALUATING WHAT MATTERS

Last year, Circles USA upgraded our online platform to improve data collection and analysis of each Chapter's progress toward reducing poverty. Now, we're pleased to announce a new major research collaboration with Stanford SPARQ.

Stanford | SPARQ

SPARQ and the Urban Institute — members of the U.S. Partnership on Mobility from Poverty — collaborated to produce a white paper in 2018. The researchers wrote, "*Just as important as material wealth are power and autonomy—people's sense of control over the trajectory of their lives—and being valued in the community—their sense of belonging.*" With SPARQ's guidance, we are adding protocols for tracking such qualitative and quantitative metrics from the progress of Circle Leaders.

Additionally, our Allies, staff, and other volunteers experience positive impacts from their participation in Circles' programming. With SPARQ, we are creating new measurements to better understand how this participation shatters negative conceptions about poverty and inspires individuals to lead community-wide change.

"Because of Circles, I have gained greater compassion for those experiencing poverty. Since joining Circles, I am a better friend to everyone I meet. I have more understanding of how to help and support people and how to allow them to become their best selves."

— Joyce Gale, Ally
from Circles Utah
Valley

POVERTY REDUCTION SYSTEMS

The Circles model focuses on what individuals can do to change their situations and what society can do to remove the barriers that stand in the way. For example, the Circle Leader designs their own plan for getting out of poverty and is responsible for working the plan. The Ally supports the Leader's journey while learning about the realities of poverty. As systemic barriers to overcoming poverty become apparent, local stakeholders work together to change public policy.

BIG VIEW

To advance systemic change, each Chapter has a Big View Team with community members representing local government, educational institutions, nonprofit organizations, and businesses. The Big View Team tackles issues such as affordable housing, childcare, transportation, healthcare, financial literacy, quality jobs, and the issue of the Cliff Effect -- when rising income cuts off benefits before people can afford the services.



Here's an example: At Circles Troup County in LaGrange, Georgia, a Circle Leader shared that she had borrowed \$100 for a utility bill, but she still owed money after paying \$55 each month for 10 months. The Big View Team researched loans that prey on people who don't have credit cards, discovering unreasonable interest rates like 400% on title loans. The Chapter initiated a partnership with CenterState Bank to enable Circle Leaders to borrow up to \$750 to pay off their high-interest loans. (The negotiated loans through CenterState have an interest rate of 4.5% and no "loan origination" fees.) Finding a solution to predatory lending helps the entire community to reduce poverty. In 2020, Circles USA is creating a compendium of Big View actions, such as this one, taken by Chapters.

Additionally, Big View efforts are distinguished by collaboration across party lines. Many conservatives believe the key to reducing poverty is to help people accept more personal responsibility. Many liberals believe the key to reducing poverty involves providing more programs and benefits. Circles USA knows personal responsibility and government assistance both play vital roles, and the Circles model brings the right and left together in reducing and eradicating poverty. In election years, Circles USA leads non-partisan civic participation campaigns, equipping Chapters to promote voter education and engage all candidates for office.

CLIFF EFFECT

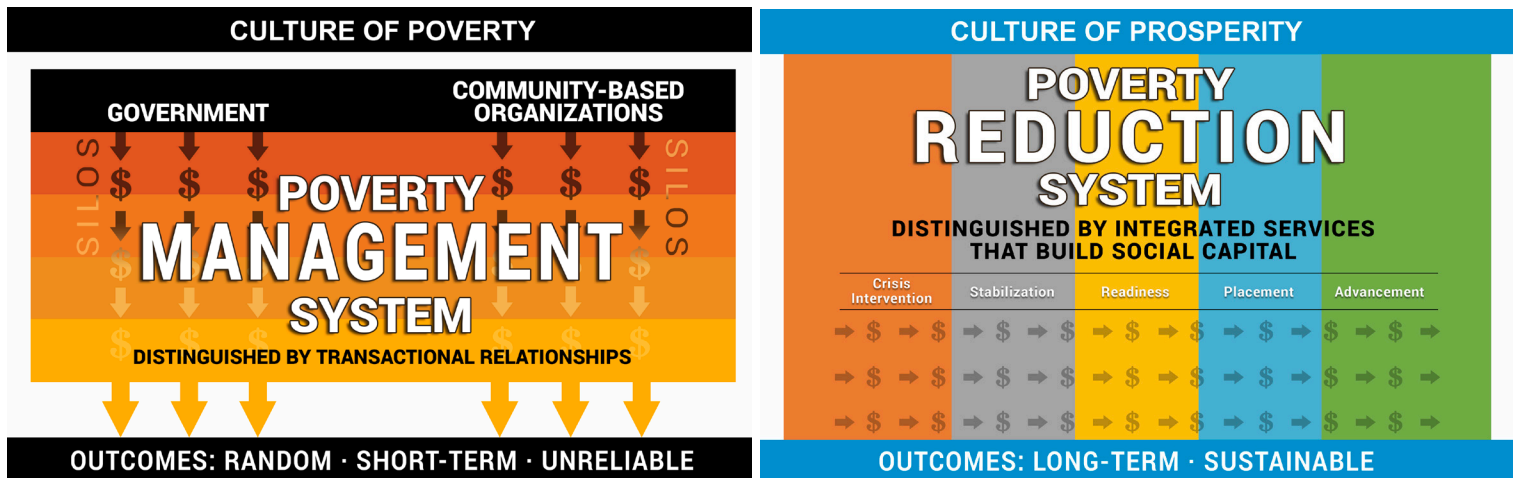
One of the primary barriers to economic self-sufficiency is the Cliff Effect. It occurs when a wage-earner increases their income enough to put the family over a benefits threshold, but loses more in benefits than they gain in pay. For six years, Circles USA has been conducting research and developing tools to better inform low-income individuals as well as policy makers about this common barrier that often keeps people trapped in poverty.

Circles USA and a team of consultants conceptualized the Cliff Effect Planning Tool to estimate losses in state and federal assistance programs in relation to income increases. Our coding partners at MassMutual recently upgraded the tool's functionality. Next year, Circles USA will continue supporting Chapters to adapt that tool and educate state government agencies. Additionally, a national partner is currently being sought to scale-up our direct services and advocacy to mitigate the Cliff Effect.

POVERTY REDUCTION SYSTEMS

POVERTY REDUCTION LABS

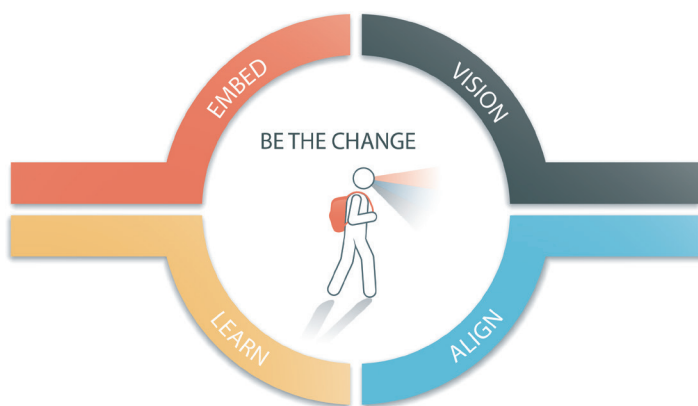
As an outgrowth of the Chapter model with Big View teams, Circles USA last year launched this new initiative. The goal is to transform the system from a culture of poverty that focuses on poverty management to a culture of prosperity that focuses on true poverty reduction.



Each Poverty Reduction Lab is a strategic task force that convenes community leaders in an environment of radical collaboration. It brings together leaders from government, education, the nonprofit sector, and business to identify barriers that individuals face as they attempt to move out of poverty and to propose policies or procedures to overcome those barriers. The goal is to create transformational leaders who have increased capacity to end poverty.

Poverty Reduction Lab Locations:

- **Cambridge, Maryland** organized by and with funding from Dorchester Community Partnership for Children & Families
- **Columbus, Georgia** organized by Enrichment Services Program, Inc. and CQIU with funding from Georgia State of Hope
- **Green Bay, Wisconsin** organized by Circles Green Bay with funding from Greater Green Bay Community Foundation
- **Price, Utah** organized by and with funding from Arrive Utah



Each Lab uses our Transformational Leadership curriculum (now available on Amazon) to develop a vision and plan for reducing poverty in the community through high-impact strategies. The process occurs over four stages: articulating a vision; aligning with relevant allies, including people and organizations; learning whatever is necessary to pursue the vision; and embedding the vision into the culture.

GET INVOLVED

Ready to start a Circles Chapter and/or a Poverty Reduction Lab?

Email: circles@circlesusa.org

Website: circlesusa.org

Facebook: facebook.com/circlesusa

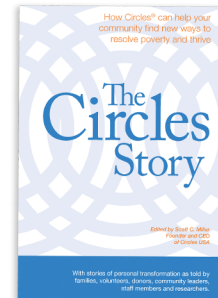
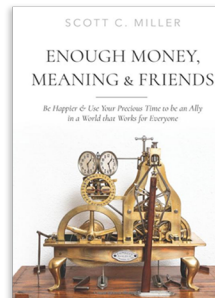
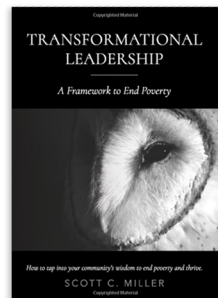
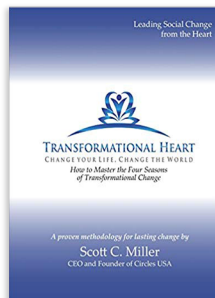
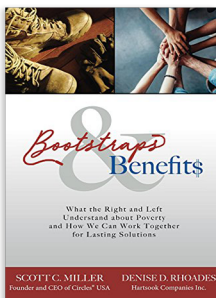
Nominations are open to join one of Circles USA's national advisory teams. These teams advance key subjects to benefit our entire network, such as strategizing about how Chapters can expand into multiple locations, exploring prospects for fundraising, and tackling Big View issues in 2020.

We look forward to working together!

"Why did we bring Circles to our community? Because it was different from other anti-poverty programs we had seen and because of the evidence of impact from its many locations. Our community, like I am sure of most communities, has been treating the symptoms of poverty for decades. We are now on a mission to change the mindset of funders and colleagues – and boldly talk about ending poverty. Circles has transformed the life of this agency, invigorating all of us to serve people in a new and long-lasting way. Circles was a great choice for our community."

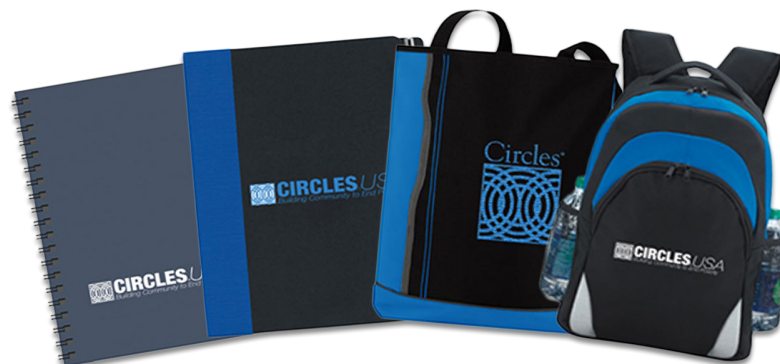
— Sarah Thornburg, Executive Director of Circles Washtenaw County, Michigan

Circles literature can be purchased on Amazon



The eStore is open

To access, contact: gena@circlesusa.org



OUR TEAM

CIRCLES USA STAFF

Jamie Haft, Executive Director (Albuquerque, NM)

Scott Miller, Founder (Albuquerque, NM)

Kamatara Johnson, Chief Learning Officer (Albuquerque, NM)

Gena Atcher, National Membership Coordinator (Marshall, MN)

Courtney Cowan, Information Systems and Design Manager (Lowell, AR)

CIRCLES USA BOARD OF DIRECTORS

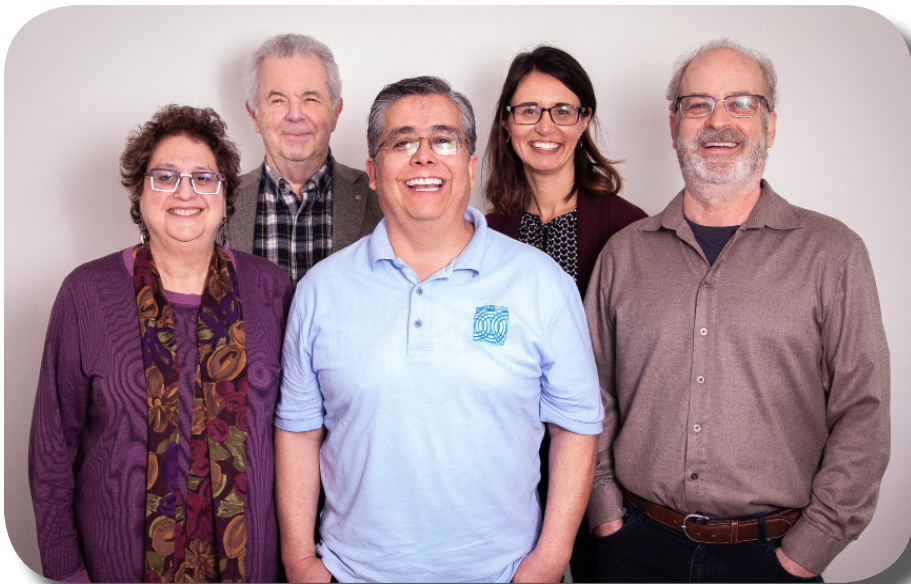
Vince Gonzales, Board Chair, and IT Director, Perinatal Associates of New Mexico (Albuquerque, NM)

Joan Kuriansky, Board Vice Chair, and Former Executive Director of Wider Opportunities for Women (Washington, DC)

Jim Masters, Board Treasurer, and President of Center for Community Futures (Berkeley, CA)

Jennifer Pelling, Board Member, and Director of Tsuha Foundation (San Diego, CA)

John Wilson, Board Member, and Former Executive Director of Community Action Association of Pennsylvania (Chalk Hill, PA)



Pictured from left to right:
Joan Kuriansky, Jim Masters,
Vince Gonzales, Jennifer
Pelling, and Scott Miller. Not
pictured: John Wilson.

CIRCLES USA CONSULTING AND TRAINING TEAM

Jeannie Chaffin, Poverty Reduction Lab Consultant (Washington, DC)

Sherri Nee, Curriculum Development (Portland, OR)

Chris Tinney, Sales Ambassador (Las Vegas, NV)

Christy Vines of Ideos Institute, Board Development (Westlake Village, CA)

Jen Nibley, Expansion Advisor and Director of Arrive Utah (Provo, UT)

Lisa Doyle-Parsons, Coach for Circles USA Chapters (Parkersburg, WV)

Janet Carl, Poverty Reduction Lab Consultant and Grant Writer (Grinnell, IA)

Robert Karp, National Partnerships (Milwaukee, WI)

Mark Lautman and CELab Team, Economic Development (Albuquerque, NM)

Appreciation to Funders and Partners



FREMONT AREA
COMMUNITY
FOUNDATION

MARY
CATHERINE BUNTING

MassMutual

Perinatal Associates
of NEW MEXICO

Stanford | SPARQ

synchrony

THE
PROSPERITY
AGENDA

TROVER FAMILY
FOUNDATION



TSUHA FOUNDATION

WORKMANWACKER
FAMILY FOUNDATION



The Tsuha Foundation honored Circles USA with its 2019 Breaking the Cycle Award, which celebrates the organization that best used funding to interrupt the cycle of poverty.

As Tsuha Foundation representatives acknowledged:

“Circles USA works at both a grassroots and systems level to achieve measurable results toward poverty elimination. The Tsuha Foundation admires how Circles USA exemplifies its values of respect, accountability, and engagement to create lasting change for the people and communities affected by poverty.”

Circles USA received this surprise award at the conclusion of the 2019 Leadership Conference in Greenville, SC. Here’s our team, pictured from left to right: Scott Miller, Chris Tinney, Jamie Haft, Kamatara Johnson, Gena Atcher, and Courtney Cowan.

Congratulations to the entire network for creating a lasting impact!