

# nonprofit spotlight

## Circles USA

When Danika was 21 years old, she nearly became a homeless single mother. After dropping out of college she was working at McDonald's and couch-surfing. Eventually, she humbly returned with her infant to her mother's home in Asheville, North Carolina. Danika's efforts to improve her job-readiness skills led her to the local Circles program, which gave her the help and motivation to become self-sufficient.

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

Like the other 24 Leaders in her group—the organization intentionally calls its participants Leaders to emphasize that they are the drivers of their own destinies—Danika first completed a 14-week program that helped her build financial, emotional, and social resources. She also created an economic stability plan to determine the salary she needed to get off government-assistance programs. Then she was paired with two "Allies," trained middle- to high-income community volunteers, to have regular discussions about how to overcome the barriers preventing her from escaping poverty. Danika's Allies listened to her worries, critiqued her résumé, introduced her to potential employers, and encouraged her as she went back to school to become a nurse. Over time, Danika graduated, landed a job, got promoted, and moved out of her mother's house into her own place.

Danika is just one success story out of more than a thousand at Circles. The nonprofit's model is based on decades of research that recognizes the power of building social capital and relationships across economic lines. These *relationships*, more than material assistance, battle and defeat deep poverty.



Circles is built on the idea that **relationships are more important than material assistance in defeating poverty.**

Circles' founder Scott Miller realized in the 1980s that too many programs only managed poverty—they didn't actually reduce it. So he set on finding a long-lasting solution. With funding from the Annie E. Casey Foundation, Miller conducted research in Iowa, exploring how local communities could be more directly involved with needy families in their midst.

The model he devised centers on helping people make a personal financial budget and set goals. The most important element, though, is direct human engagement. Although Circles provides information and technical assistance, it is the support and guidance from successful and generous neighbors that makes the program distinctive. As the organization expands, each Circles group is co-designed by community members to make sure it is able to inspire and mobilize the volunteers needed.

When two volunteer men came to the Ames, Iowa, Circles chapter and asked what they could do to help, participants said they needed better cars—there wasn't enough duct tape in the world to keep their wheels turning. Within six months, a car-donation program began. Over four years, the community donated 165 cars,

and mechanics gave free inspections. Circle Leaders could then safely travel between home, work, school, and day-care centers.

Today, there are over 70 Circles programs in the U.S. and Canada. A 2004 study by Iowa State University found that Circle Leaders were able to get off welfare in 10 months, even though they had been on assistance for an average of four years before coming to the program. After one year participating, Circle Leaders were earning 63 percent more income. A Circles program costs around \$5,500 per participant per year to run. These funds, which mainly go toward training volunteers, are supplied by hundreds of local and national donors, including community foundations, United Ways, corporations, churches, and family foundations.

Earlier this year, the nonprofit committed to a national expansion. Miller says local chapters are constantly learning more about how to support people and keep them out of poverty. And the secret weapon is caring volunteers. "People will do anything," he states, "if they have a relationship long enough with someone who is helping themselves out of poverty." —*Jen Para*